

# NATIONAL MUNICIPAL REVIEW

PUBLISHED MONTHLY BY THE  
National Municipal League

SERVING ALSO THE  
AMERICAN CIVIC ASSOCIATION      CITY MANAGERS' ASSOCIATION  
NATIONAL CITY PLANNING CONFERENCE

---

---

VOL. XIII, No. 3

MARCH, 1924

TOTAL No. 93

---

---

## CONTENTS

BOSTON LOOKS OVER ITS CHARTER.....	<i>George H. McCaffrey</i>	131
THE EXECUTIVE BUDGET WINS IN CALIFORNIA.....	<i>E. A. Walcott</i>	134
MODERN PURCHASING STARTS WELL IN SAN FRAN- CISCO.....	<i>William H. Nanry</i>	137
REGIONAL PLANNING NEXT!.....	<i>Frederic A. Delano</i>	141
THE PENDING LOS ANGELES CHARTER.....	<i>C. A. Dykstra</i>	148
MEASURING THE RESULTS OF GOVERNMENT.....	<i>A. E. Buck</i>	152
STATE SUPERVISION OF LOCAL INDEBTEDNESS.....	<i>Lane W. Lancaster</i>	158
CONSTITUTIONAL TAX EXEMPTION—A REVIEW.....	<i>Lawson Purdy</i>	166
OUR LEGISLATIVE MILLS		
VIII. A Contrast: THE SINGLE-HOUSE LEGISLA- TURE OF ONTARIO.....	<i>George M. Wrong</i>	169
THE COMING OF THE TRAFFIC TOWER.....	<i>C. E. Johnson</i>	173

## DEPARTMENTS

I. Recent Books Reviewed.....		175
II. Items on Municipal Engineering.....	<i>Edited by W. A. Bassett</i>	177
III. American Civic Association Notes.....	<i>Edited by Harlean James</i>	182
IV. Notes and Events.....	<i>Edited by A. E. Buck</i>	185

## GRIFFENHAGEN & ASSOCIATES, LTD.

An organization of engineers, accountants, and specialists in the  
administrative and financial problems of public bodies with over  
ten years of practical experience in efficiency and economy work.

HEADQUARTERS OFFICES AT 155 EAST SUPERIOR ST., CHICAGO

## THE LEAGUE'S BUSINESS

Mr. H. W. Dodds, our secretary, is in Nicaragua by request of the Nicaraguan Government directing and overseeing the first registration under the modern election law drafted by Mr. Dodds at the suggestion of the State Department in 1922 and adopted during the following session by the Legislature of Nicaragua.

In the absence of our secretary, Miss G. R. Howe, assistant secretary, has charge of the office, and Mr. A. E. Buck edits the REVIEW for March and April.



**Municipal Review Established in Japan.**—Word has just come to our office that the Institute for Municipal Research, recently established in Tokyo, has undertaken the publication of a magazine to be called the Municipal Review. The first issue is to appear in a short time. It is to be devoted to a discussion of the municipal affairs and events throughout the Japanese Empire. We understand that this magazine is to be fashioned along the lines of the NATIONAL MUNICIPAL REVIEW. Good luck to our Japanese friends in their new undertaking!



**Unusual Demand for Certain Pamphlets.**—Since January 1 we have been called upon to supply 13,313 copies of the "Story of the City Manager Plan," which indicates vigorous campaigning for city manager charters.

A reprinting of the "Model State Constitution" is under way as a call for 2,800 of these pamphlets for class use in universities and colleges exhausted the edition published in November.



# NATIONAL MUNICIPAL REVIEW

VOL. XIII, No. 3

MARCH, 1924

TOTAL No. 93

## BOSTON LOOKS OVER ITS CHARTER

BY GEORGE H. McCAFFREY

*Secretary, Boston Charter Association*

*The recommendations of the Boston Charter Commission are decidedly conservative and as a whole are an endorsement of the present strong mayor type of charter.*     ::     ::     ::     ::     ::     ::     ::

IN 1910 Boston adopted the first charter of a highly concentrated type of government which was soon afterward imitated by Pittsburgh, Detroit, Cleveland and Los Angeles. It provided a four-year term for mayor with complete appointive power and a council of nine and a school committee of five elected at large about one-third at a time in rotation on a non-partisan ballot.

In 1923 in response to various demands the charter commission was created by law consisting of thirteen members, four appointed by the governor, two by the Mayor of Boston, two by the President of the State Senate and five by the Speaker of the State House of Representatives. The commission elected the Hon. Wellington Wells, Republican floor leader in the Senate, chairman, and Thomas C. Carens, an able newspaper reporter, secretary. It held public hearings last July and October, and frequent executive sessions thereafter.

At the July hearings, the commission

received many radical proposals which were generally unrelated to each other and had no substantial support. In October, however, the interest was broader and the leading civic organizations presented their views. The main points under discussion were reducing the mayor's term from four to two years; restoring a recall provision for the mayor; changing the date of election, length of term, size, and method of electing the city council and school committee; restoring national party designations in municipal elections; and abolishing the Boston Finance Commission, a permanent municipal research bureau supported from the city treasury and invested with quasi-judicial powers of investigation.

There was little or no criticism of the present division of powers between the mayor and city council and of the administrative organization under the charter.

In October Ex-Mayors Matthews and Peters and Mayor Curley ex-

pressed themselves stoutly in favor of the present document in all its main features. The civic organizations led by the Boston Charter Association, the Chamber of Commerce, and the League of Women Voters did likewise, except as to the method of election. The Central Labor Union did not appear officially at any of the hearings, so that its views on the charter are unknown.

The consensus of the opinions expressed by these individuals and organizations showed strong opposition to a reduction in the length of the mayor's term; to the abolition of the Finance Commission, to the restoration of party designations in city elections and to the election of either the school committee or council from wards or small districts. They were in favor of changing the election date from mid-December to the usual November date (now opened for municipal elections in the odd-numbered years by the adoption of biennial state elections); reducing the terms of councillors and school committee men from three to two years and electing all members of each body at once instead of by the present partial renewal plan. There was some sentiment in favor of a slight increase in the size of the council, but the most significant development of these hearings was that the Charter Association, the Chamber of Commerce and the League of Women Voters all vigorously advocated the adoption of proportional representation as the best method of electing the council and school committee.

When the commission began its executive sessions, it became clear at once that, while there was hope of substantial agreement upon many points, in regard to the council and party designations, there were strong differences of opinion. By this time the municipal election campaign had

begun and some of the advocates of party designations in the city decided to use the opportunity thus presented to show their strength.

The Democratic city committee decided that it would endorse candidates for the city council and school committee on a partisan basis for the first time since the present charter became effective in 1910. The Republican city committee took no action. There were four candidates for two school committee seats, all Democrats, and seven for the three council vacancies, one of whom was a Republican, one had no party enrollment, and the other five Democrats. Soon after the campaign began the Public School Association, a long established, non-partisan body, announced its support of two school committee candidates. The attitude of the non-partisan Good Government Association was unknown in regard to council candidates, when the Democratic committee invited all the council candidates except the lone Republican to a meeting. There the candidates for the council were asked to repudiate the Good Government Association's endorsement in advance as a prerequisite to obtaining the Democratic committee endorsement. Two of the Democrats flatly refused to do so and were passed over by the committee in favor of the unenrolled candidate, and the fifth Democrat withdrew. The Democratic committee also endorsed the two school committee candidates not favored by the Public School Association. The Good Government Association re-endorsed two retiring members of the council. One was the sole Republican running and the other, one of the Democrats who refused to yield to the conditions of the Democratic committee. The Association also spoke well of the other man who had refused to repudiate its endorsement.



General public interest in the campaign, which was characterized by vituperative, demagogic attacks on the Good Government Association and the Public School Association, was slight. The weather on election day, however, was good, so that 42.2 per cent of the registered vote turned out as against 29.5 per cent in 1922. The Democratic committee endorsees won two seats in the council and one in the school committee.

The reaction from this deliberate violation of the spirit of the non-partisan election provision of the charter was the reverse of what the advocates of party designations seemed to expect. The election campaign showed that restoring party designations would at once give control of the city government to the Democratic machine and, since Boston is at least 60 per cent Democratic, this control would be practically permanent. The standing of the Democratic committee leaders and the standards they used during the campaign were such as to lead inevitably to the conclusion that a restoration of party designations would mean "gang" rule for a long time to come.

When the commission reported on January 9 it was unanimously in favor of biennial elections for the whole council and school committee in November of the odd-numbered years, leaving the school committee otherwise unchanged, and of a few minor administrative changes. A large majority were in favor of keeping the mayor's term at four years, retaining the Finance Commission, and against any recall provision. Eight members signed the statement opposing the restoration of party designations, but one of them did so only in order to be more certain of carrying the majority plan for changing the method of electing the council.

Eight members favored a compromise plan which would increase the number of councillors to fifteen, three of whom would be elected from each of five boroughs by the plurality system. One member favored keeping the present number of nine elected at large. Two favored the borough plan only if combined with proportional representation.

The position of the commission as a whole on proportional representation was interesting. Two members were flatly in favor of its immediate adoption, three others signed a statement that they believe the system is sound, but are convinced the people must be educated to it. They point out that Cleveland has just adopted the plan and that after it has had a year or two of trial there, Boston will be in a better position to judge of its merits. At least four other members are known to have been impressed by the soundness of proportional representation.

The majority recommendations are clearly conservative. The minority divides into two parts, one, the reactionary, in favor of a return to a ward council, party designations and primaries, the other, the progressive, in favor of proportional representation. It is clear already that the contest between the advocates of the different methods of choosing the council will continue in the legislature with the result doubtful. The other recommendations of the commission will probably be adopted. The outstanding facts in the whole report are the emphatic vindication of the Charter Association's general position that the present charter is a very well-drawn, efficient frame of government which needs only a few minor changes, and the progress made by the proportional representation plan.

# THE EXECUTIVE BUDGET WINS IN CALIFORNIA

BY E. A. WALCOTT

*Executive Secretary, Commonwealth Club of California*

*California's new budget system has come through a stormy period and now may be regarded as the settled policy of the state.    ::    ::*

ADOPTED as a part of the constitution in 1922 by the great vote of 451,074 to 183,147, California's budget amendment fell into the political turmoil that followed the election of a new administration. The elements that had opposed the incoming governor in the campaign, the enemies he accumulated in the legislative session, and the officers and employees adversely affected by his efforts to reduce certain lines of expenditures, united in criticizing the budget system that had given power as well as responsibility to the executive, and made a determined effort in the legislature and the courts to nullify several important provisions of the constitutional amendment. With the filing on October 24, 1923, of the last of five decisions of the highest court of the state determining the questions raised regarding the budget of 1923, the executive budget is firmly established.

The movement toward an executive budget for California began in 1911. In this year the state board of control was made the fiscal representative of the governor. Without direct legislative authority this board undertook the preparation of the general appropriation bill. This bill, introduced through the ways and means committee of the assembly, and the finance committee of the senate, was defended

before the legislature by the members of the state board of control, and was usually accepted in its general features by the legislature. This system, however, had several disadvantages. One was that it covered only a part of the state's expenses. Most important was the fact that it depended for its continuance not on the law or the constitution, but on the force of the governor and the acquiescence of the legislators. The legislature of 1917 saw an attempt to write the system into the constitution. An amendment was offered the electors providing for the introduction of a budget in the state legislature not later than the twentieth day of the session, framed by the state board of control, the state controller, and the lieutenant governor. This was submitted to the electors of 1918 and vigorously opposed on the ground of the divided authority conferred by the amendment and the lack of control of the financial policy by the executive. It was defeated by a vote of 261,311 against, to 96,820 for.

## EXECUTIVE BUDGET ADOPTED THROUGH THE INITIATIVE

The Commonwealth Club of California then requested its section on public budgets to prepare the text of a constitutional amendment that should establish an executive budget free from



the objections that had brought about the defeat of the amendment of 1917. The first efforts of the section were along the lines of the Massachusetts budget amendment, and an adaptation of this amendment was introduced in the legislature of 1919. The measure, however, received no support from the legislature and it was evident that no provision for a budget that would lessen the powers of the legislature would receive the approval of that body. As it would take two-thirds of the members of both houses to submit such a proposition, the section on public budgets recommended that any budget amendment enlarging the power of the executive should be presented to the people directly by initiative petition, as no legislature would favor the curtailment of its own power. A draft of the amendment establishing the executive budget was then prepared, founded on the Maryland and Massachusetts provisions, with several features devised by the section itself.

Petitions were immediately circulated for submission of this amendment to the electors and a sufficient number of signatures being secured, the amendment was placed on the ballot, and at the election of November, 1922, was carried by the large majority hereinbefore set forth.

#### WHAT THE NEW SYSTEM DOES

The amendment gives the sanction of law to the state budget system, fixes on the governor the responsibility for preparing the budget, calls for a detailed statement of the expenditures and anticipated revenues of the state, and gives the budget bill the right of way over all appropriation bills except emergency measures or bills appropriating money for the expenses of the senate and assembly. While it did not interfere with the right of the legislature to amend any item in the budget

by majority vote, it gave the governor the power to reduce as well as to eliminate any item of appropriation. A two-thirds majority is required to overrule the governor.

One of the evils developed in the partial budget system heretofore in force, was the custom of holding back the general appropriation bill until the last days of the session after all special appropriations had been made. This prevented detailed consideration of the bill by the legislature, and allowed all manner of appropriations to be made without knowledge of the financial condition of the funds out of which they should be met. The budget amendment requires the governor to place the budget bill before the legislature within the first thirty days of the session and allows no special appropriations to be made until after the budget bill is enacted.

#### THE ATTACK OPENS UP

The legislative session that opened January, 1923, therefore, found itself bound by the new budget system, and the limitation on its right of appropriation of moneys was strongly resented by the legislators.

Governor Richardson, the new executive, had made his campaign on the pledge of cutting the state's expenses in certain directions, and when his budget was presented it showed reductions or eliminations of appropriations for many of the offices of the state government estimated by the governor to be \$10,000,000. The opponents of the governor contend that the savings on these items are much smaller than the governor's estimates and that the real expenses of the state have increased. The officers and employees affected by these reductions were naturally hostile to the reductions, and with those legislators who were hostile to the administration

were able to bring about a lively public discussion. Their protests were directed not only at the specific items reduced or eliminated by the governor, but at the whole policy of the executive budget. Thus, the measure that had gone before the electors with such general approval that no one could be found to write the opposing argument for the state publicity pamphlet in the election campaign was now vigorously denounced as an injury to the state service.

A thirty-day recess of the state legislature followed the introduction of the budget and in this period the discussion in the press and on the platform was heated. When the legislature reassembled the budget became the storm center of the session for several weeks, and was finally passed with a number of changes. Some of these changes were approved by the governor; the remainder were vetoed. The vetoes were sustained.

#### SUPREME COURT SUSTAINS EXECUTIVE BUDGET

The new budget went into effect on the beginning of the fiscal year, July 1, and was at once challenged in five different suits to test its effect. The first suit to be decided was based upon the contention that the budget amendment, by implication, repealed the provision for special funds established for various offices from special sources of income. The immediate case was that of the railroad commission of California against the controller of the state, regarding the disposition of moneys collected by the commission and held in a special fund in accordance with the public utilities act as amended in 1915. The supreme court decided on September 14, 1923, that the budget amendment does not, either directly or by implication, repeal valid existing appropriations theretofore

made; and that until the legislature enacted otherwise the special funds continued as before. The court also decided that the budget bill as enacted provided the maximum amounts that could be expended for any item. If appropriations for such purposes had theretofore been made out of special funds, such special funds must first be expended. If the amount appropriated by the budget bill exceeds this sum of money, the difference between the amount in the special fund and the amount set out in the budget bill is all that may be taken from the general fund. The contention that the amount in the special fund might be expended in addition to the amount appropriated in the budget bill was swept aside.

On September 21, 1923, the supreme court handed down its second decision in the case of *Keiser v. State Board of Control* (66 Cal. Dec. 403). The legislature had provided in 1919 that the moneys received by the real estate commissioner were appropriated for use by the office, and all expenditures of this office should be met from said fund. The budget bill of 1923 expressly provided that the statute of 1919 should remain in full force and effect, and appropriations for salaries and other expenses should be paid out of the real estate commissioner's fund. The supreme court held that this provision was valid. A similar decision was made the same day in regard to the state board of health's special fund made up of fees paid for examination and registration of nurses. (*Jamme v. Riley*, 66 Cal. Dec. 405). The court held that the special fund remained intact and should be used for the salaries and traveling expenses in connection with the examination and registration of nurses. On September 27, 1923, a similar decision supported the payment of salaries of the state board of osteopathic examiners out of



the fund provided by the fees established by law (66 Cal. Dec. 423). The effect of these decisions was to maintain the special funds theretofore established by the legislature until they should be changed by further enactment.

On October 24, the court handed down its decision in the last of the cases affecting the budget law. This was brought by the state superintendent of public instruction challenging the validity of the governor's veto of a special provision of the budget setting aside one per cent of the appropriations for salaries and expenses of the teachers' colleges to be expended for the general administrative office under the state superintendent. The governor struck out this provision on the ground that the superintendent's office was amply provided for in the direct allowance made by the budget. The suit

was brought on the contention that the provision was not an appropriation, but merely a transfer of funds already appropriated and therefore not subject to such veto. The court held that the act of the legislature was an attempt by indirection to defeat the purpose of the budget amendment by making an appropriation in such form that it would not be subject to veto. The court decided that the governor had full power to eliminate the provision.

The budget amendment has therefore passed the legal rocks and has been declared by the final authority to mean what its authors intended it should mean. Whether it will bring the advantages hoped from it depends on the wisdom of the electors in selecting the right kind of governor. In any event the people will know where to place the responsibility for results.

## MODERN PURCHASING STARTS WELL IN SAN FRANCISCO

BY WILLIAM H. NANRY

*Director, San Francisco Bureau of Governmental Research*

*Municipal purchasing agents do not usually enjoy large powers and responsibilities that as a detail of good organization and as a necessary measure to secure results are vested in purchasing agents with private concerns.*     ::     ::     ::     ::     ::     ::     ::

THE San Francisco Bureau of Governmental Research participated in the preparation of the ordinance which, last July 1st, established the new purchasing procedure for the City and County of San Francisco. Subsequently, a number of large cities were visited by the writer, for the purpose of securing detailed information of

forms and procedure used in the purchasing systems of those cities, this information being desired by the local Purchaser of Supplies as a basis for formulating the permanent procedure of the San Francisco Bureau of Supplies.

The powers and responsibilities vested in the local Purchaser of

Supplies are rather unique in the municipal purchasing field. All too often the proper powers that should be delegated to municipal officials are restricted by law—probably with the thought that should an improper official be appointed or elected, he will not be free to misuse his office in his selfish or personal interest. The result is that the average official, when placed in office, finds himself hampered, and is not free to exercise even ordinary business ability in the conduct of such office.

This has been avoided, to a considerable extent, although not entirely, in the specification of powers, duties and responsibilities imposed on the local Purchaser. Mr. Russell Forbes, head of the Research Department of the National Association of Purchasing Agents, stated in a recent communication:

Under the terms of this (San Francisco) law, the purchaser of supplies is granted powers and prerogatives commensurate with those granted to purchasing agents in industrial corporations and greater power by far than that enjoyed by the municipal purchasing agent in most cities which have come under our observation.

A striking weakness in the ordinance is the lack of any provision for the accounting control of purchasing orders. This, however, is a fiscal-control and accounting weakness, rather than a purchasing defect. Temporary procedure to provide for accounting control was written in the ordinance as drafted, but was stricken out in committee. Assurance has been given that this and other minor defects will be remedied in the near future by an amendatory ordinance.

No attempt will be made to analyze the San Francisco purchasing ordinance in detail, but it might be of interest to touch upon some of the more important changes that the ordinance has brought about. To begin

with, purchasing power, previously scattered among seven city departments, has been centralized in the new Bureau of Supplies. Responsibility for efficient purchasing, for following market conditions, and for organizing the City's \$4,000,000 purchasing power on a businesslike basis, is vested in a Purchaser of Supplies, who heads the new Bureau. This takes over the purchasing duties previously exercised by the Supplies Committee of the Board of Supervisors, a clerical force which previously functioned under the Supplies Committee, and the various clerks in the several departments who acted as purchasers for their individual departments.

Under the old procedure the City was practically restricted to purchasing on the basis of annual contracts, except for requisitions amounting to less than \$200, and excepting also "patented or proprietary articles." The new procedure authorizes the Purchaser to buy in the open market, up to \$1,000, and for fresh fruits and vegetables, or in certain cases of emergency, to buy in the open market where the amount involved exceeds \$1,000.

Formerly, responsibility was not fixed for providing proper specifications and for the standardization of articles according to the use to which they were to be put. The latter will be recognized by all purchasing agents as one of the most effective means of economizing in any organization's supply bill. Under present procedure the Purchaser is required to co-operate with departments to bring about standardization, and he is made responsible for seeing that adequate specifications are provided.

Under the old legal basis for city purchasing, awards had to be made to the "lowest responsible bidder." According to the legal interpretation, the



only proof required of "responsibility" was the filing of the necessary certified check with a bid. Under the new procedure, the City is not forced to accept the lowest bid; it is specifically provided that in making awards, quality and delivery shall be considered. If other than the lowest bid is accepted, the reason for such action must be filed by the Purchaser, in writing, with the Auditor. The principal purpose in thus requiring a formal statement of the reason for accepting other than the lowest bid, was to protect the Purchaser in actions taken in the proper performance of his duty—which, in city affairs, are more likely to be unfairly criticized than in similar operations in private business.

Under the old system there were complaints of inferior commodities furnished, under contracts which had been awarded on the basis of grades or samples, and also complaints of bidders, who, by filing qualifying statements with their bids, were able, in effect, to change the specifications on which bids were presumed to be based. This latter practice is prohibited under the new procedure. The first mentioned practice has been attacked by requiring adequate specifications and by placing responsibility squarely on the Purchaser for prescribing adequate tests of deliveries.

It was also provided that dealers who violate their contracts—the particular thought being by the delivery of inferior goods—may be declared "irresponsible" by the Purchaser, and thus automatically barred from city business for one year, unless the Board of Supervisors, by a two-thirds vote, removes the disqualification. In industrial purchasing, irresponsible or dishonest vendors are disqualified by the simple expedient of giving them no more business. In city purchasing such a solution is not so easily applied.

With the greater open market purchasing power vested in the Purchaser, and the authority to penalize unscrupulous vendors, it is confidently expected that this cause of complaint will be permanently corrected.

One general reaction of the survey of purchasing procedure in other large cities is that municipal purchasing officials are still too prone to believe that they are purchasing efficiently by simply going through the mechanics of advertising for bids and awarding contracts. This, of course, is only one, and not the most important one, of their responsibilities.

The systems in operation in the cities of Detroit, Philadelphia and Dayton were most impressive, on the basis of the superficial analysis to which the writer was limited. The Detroit system is a model of orderly efficiency; the Purchasing Agent in that city, the fourth largest in the country, with an annual buying power of \$15,000,000, is seriously restricted, however, by a \$500 limitation on open market purchasing. He is also restricted by lack of provision for emergency purchasing, which may, on occasion, seriously interfere with the proper conduct of city business. The City of Philadelphia has developed specifications, inspection and tests, to an extraordinarily minute degree. The Purchasing Department in that city is also required to maintain a considerable bookkeeping force to handle books, records and accounts incidental to the encumbrance of funds and the accounting control of purchase orders.

It was found to be the almost unanimous opinion of municipal purchasing agents that inspectors, as agents of the Purchaser and as employees of the Purchasing Department, are essential to insure a proper check on quality, and, in some cases, quantity, of delivery. Several of the purchasing

bureaus in other cities are provided with such an inspection force, and those that are not stressed the need of providing for such service.

The Purchasing Agent of Dayton has developed important savings in his stationery and printing bills by the establishment of a multigraphing plant for the printing of many of the notices and office forms used by the City. The writer recalls that this procedure was also introduced in Los Angeles County about ten years ago, and was declared to be highly successful. The Dayton department has also a unique and extremely practicable form for keeping track of, and ordering, the hundreds of printed forms that his office must, from time to time, go into the market for.

The reported experiences of municipalities indicates that the policy of establishing municipal stores and warehouses, and the extension of these, is something that should be approached with a great deal of caution. There is unanimous agreement as to the desirability of maintaining store stocks of office supplies, stationery, school supplies, and a few other classes of material. There is also unanimity as to the need and desirability of a revolving fund, expendable by the Purchaser, for the quantity purchasing of miscellaneous commodities on which savings can be made if the Purchaser is in position to avail himself of bargains or especially favorable conditions that are continually coming to his notice. The experience of some cities, where unwise extension of store stocks has resulted in extra and unnecessary handling charges, shrinkage, and "quantity consumption" as a result of quantity buying, indicates the necessity of care and forethought in the establishment of stores and store stocks.

The new Bureau of Supplies in San Francisco had to take over the com-

plete buying operations of the City, from the date of the initial organization of the Bureau. The necessity for the uninterrupted carrying on of municipal activities would not, and will not, permit of the usual orderly procedure of birth, baptism and slow growth—like Adam, the Bureau had to assume man-size upon creation. Permanent organization and the ultimate purchasing procedure cannot be determined upon in these early months, and to bring these about before the end of this calendar year will represent a tremendous task.

The Bureau is now operating on a budget of approximately \$25,000 a year, which will probably have to be increased as the organization grows into the full requirements for properly handling the task of purchasing and checking the City's materials, supplies and equipment. It is estimated that the former decentralized purchasing procedure cost approximately \$80,000 per year for personal services assignable to purchasing. It should be encouraging to all who believe in centralized, businesslike purchasing, to know that, in spite of unavoidable early difficulties incidental to organizing and establishing procedure, the new Bureau has more than paid for the start.

A saving of \$1 a ton on coal; 95 cents apiece on pillows; \$6 a ton on hay; \$8,000 on books; fresh fruits and vegetables, *delivered*, at lower than wholesale prices; \$2.17 per hundred-weight on sugar; \$7.50 a dozen on picks—the list of savings might be extended indefinitely. A local writer recently estimated a saving of \$50,000 to the City on the first month's operation of the new Bureau. San Francisco, formerly years behind the other large cities of the country in its municipal purchasing procedure, will soon be in position to serve as a model for all.



# REGIONAL PLANNING NEXT!<sup>1</sup>

BY FREDERIC A. DELANO

*The greatest enterprise in regional planning is that relating to New York and its environs, and here Mr. Delano offers some reflections upon this and similar tasks and the new technique that must be worked out for them.* :: :: :: :: :: :: :: :: ::

THERE is necessarily a close relation between city planning and regional planning. They must go hand in hand; one supplements the other. *City Planning*, especially in large cities, sometimes involves tremendous expenditures. It may be described as a big job of replanning and reconstruction. It means correcting past errors; changing things to meet new and unexpected conditions. A notable example of city planning was that undertaken in Paris in 1859 under the leadership of the Emperor, Napoleon III, and under the strong hand of Baron Haussmann.

Regional Planning, on the other hand, is planning for the future in the suburbs and the open country. This is the sort of planning that has been carried on so successfully in Europe. In England it is recognized that a great city like London cannot be changed very much; and the most that can be done is to ameliorate the crowded conditions by creating satellite cities in the surrounding country, which will be self-sustaining in the true sense that they will be complete, well-rounded cities and not simply dormitories for the neighboring great metropolis. Opinions differ as to the range of comfortable size, but I find quite

general the opinion that a satellite city should not exceed forty or fifty thousand inhabitants.

## SKYSCRAPERS AND THEIR PROBLEMS

Chicago has taken an important part in the creating of city planning problems. It was in Chicago that the steel frame building was originally designed and developed, a construction where the steel frame supported the walls instead of the walls supporting the building. It was in Chicago that the rapidly-moving elevator was developed, and those two inventions made the skyscraper possible.

And yet I do not condemn the architect of the skyscraper. I confess that I do not wonder at the very justifiable pride which a man who produces such a monument as the Woolworth Building, must feel, but I say this, that the city planner must study, and put before the public the results of these skyscrapers; the difficulties which they present, the remedies which they forthwith require.

## SCALE

We must consider, for example, some of these questions: first, the scale; the relation of the size and proportion of each building to its environment, to the width of the street. Imagine, for instance, the Capitol at Washington—a building beautiful in itself, splendidly

<sup>1</sup> Address at the inauguration of the Chicago Regional Planning Association, November 2, 1923. Contributed by American Civic Association.

proportioned, and placed in an ideal position on the brow of a hill overlooking the city—imagine that same Capitol building down on Wabash Avenue Chicago, fronting the elevated railroad. What would it look like? The question of scale and environment must be considered.

Christopher Wrenn, whose bi-centennial is being celebrated this year, said that a building should be no higher than one-half of the width of the street. True, in Christopher Wrenn's time there were no elevators; dependence was upon stairs entirely. To this day those sturdy Englishmen have held down their great cities to very moderate heights. I can remember that our own Daniel Burnham used to say with a great deal of force that scale was the whole thing, the whole question in the proportion and design of buildings.

Another Chicago man, a man who has passed on to the other side, Frederick Greeley, an engineer, and a man of wonderful spirit, humor, and charm, in a very delightful paper he once read before the Literary Club, illustrated Alpine climbing on the shores of Lake Michigan, not far from Chicago. He had made a lot of little manikins, little dolls dressed up as Alpine climbers, with Alpine stocks, placed them on the bluffs close to the Lake at Winnetka and photographed them, and for all the world you would have believed that these were sturdy mountaineers climbing the Alps or the Rocky Mountains. He went to immense pains to illustrate the importance of *scale*.

#### TRANSPORTATION AND CONCENTRATION

The question of transportation facilities, the convenience of the public and comfort must also be considered in connection with these skyscrapers; also matters of exaggerated values due to overconcentration.

In New York, we have made some

studies of real estate values for a period of twenty or more years, illustrating them graphically. Taking a cross-section of Manhattan Island, the values in the center part, alongside of Broadway and especially near Wall Street, have steadily mounted just as the height of buildings has mounted. On the edges and fringes of these arms one finds still the squalid houses that were there twenty and thirty years ago. The values are still about the same, and in some cases even lower.

You will find that same thing in Chicago. Indeed, I know from my own knowledge that within two blocks of the Loop you can find property which is worth less to-day than it was twenty years ago. You can find property which would not sell for one-half of what it is assessed. That is not a healthy condition.

These problems are brought about by new conditions, and it is not to be supposed that still newer conditions will not develop. We know that the automobile has created new difficulties, and just so the auto bus, and the motor truck. We know that presently the greater use of the airships and aeroplanes are certain to affect our whole city planning. Some planners tell us that it will be necessary to lay out landing fields. Perhaps we shall have to work out a plan by which the landing can be done on the flat tops of our buildings, which would make it necessary to adopt some standards of uniform roof levels.

#### HEIGHT OF BUILDINGS

In New York, although a zoning law has been adopted, there is no limit to heights. True, there is a limit in the cornice level and there is a limit in the angle at which the building may retreat, but those limits are so high that they appear to me to be of little value.

Suppose we should put upon one of



our six hundred-foot square blocks in the city of Chicago—and we have blocks of that size—an office building as big as may be built with proper air and light. If we went to fifty stories, we could house sixty thousand men and women in that building. Even with the Chicago limit of twenty to twenty-one stories we could house twenty-five thousand people. Carrying out this basis of 210 feet to the cornice line in Chicago for the central square mile usually known as the Loop district, we would have a central population—a day population, you might call it—of a million, two hundred and fifty thousand people, all of whom must sleep and live outside of this area and be transported back and forth every night and morning. If the area surrounding this central congested zone were a wide strip of parks and playgrounds, it might not be so bad, but if surrounding this highly developed area we have squalor, dilapidated houses, buildings and property, which, though near the city's center, is worth less than half the assessed value, we have certainly food for thought.

#### LAYERS OF STREETS

Evidently, either Christopher Wren was wrong in his idea of the scale of houses, or we are wrong. But surely we cannot be right in making our buildings twice, three times, four times and five times the width of our streets, for we at once admit our mistake by putting a second and a third supplemental story upon our streets. We fool ourselves somewhat in doing this. In New York they put the second level under the street and then sometimes over the street, so that they have already gone to three levels there, and on one or two streets to four and five levels.

This appears to be a confession that the building is out of scale with the street, that is, speaking of a street as a

one-story affair, when we are forced to put all these supplemental galleries below and above ground.

#### ZONING REGULATIONS

I would like to call your attention to an article which is reprinted in the *Literary Digest* for October 20, 1923. This article originally appeared in the *Electrical World* and was written by a Mr. William M. Carpenter of New York, an electrical engineer, who calls attention to a fact more or less familiar to all of us, but he illustrates it. He takes the State of New York and shows by heavy black lines where the population is increasing, by a light shaded color where the population is stationary, and in plain white the part of the State where the population is diminishing and has diminished for two decades. The surprising thing is—and I think you will find it the same in Illinois or any of our States—that the larger cities like New York, Utica, Syracuse, Rochester, Buffalo, and two or three smaller cities show increases, but all of the rest of the State, with very few exceptions, shows a diminishing population.

#### RADIATING AVENUES AND BY-PASS CONNECTIONS

In the original studies which were submitted for the plan of Chicago, in the year 1909, we did not ignore the question of regional planning. That plan illustrated the many radiating routes that already existed and showed how necessary these were to the development of the city. Many of these radiating avenues were the original roads laid out by the early settlers and traders. It is natural that concentration should come first, but after it we must relieve concentration and the consequent congestion by decentralizing and by-passing the traffic around points of congestion. Ogden Avenue

when completed will give tremendous relief in going from the North Side to the West Side without passing through the heart of the city. In that original plan you will find portrayed a great half-circle avenue, which should be revived and re-studied and re-located farther out, because it cannot be put now where it was originally contemplated.

#### INDIVIDUALITY OF CITIES

I want to emphasize the importance here and elsewhere of individuality and originality in planning. Even if there were some formula for building cities, it would be a great pity if all cities were alike, or identical. The English town planner, Mr. Raymond Unwin, shows how much would be lost if every plan were compelled to conform to some standard or Procrustean bed. Chicago has particular reason for wanting to carry out its plans to be different from other cities. We have not great hills and ravines in the city, we have a great flat plain.

In the surrounding territory we have a much more rugged country, and there we can take advantage of that character of topography, but in Chicago we have a lake front and a river of which we should make the most. I believe we could accomplish much with our Chicago River if we adopted the principle of fixed bridges with adequate clearance for traffic. Chicago is losing a tremendous opportunity in not putting fixed bridges across the river.

I suppose if the city were almost unanimous in favor of such a proposal, it would take at least ten years, with the inevitable inertia, red tape and other difficulties that you would have to cut through, to carry it out, hence I believe it is worth while mentioning it here so that the ten years will begin running from to-day.

#### THE BRIDGES OF LONDON AND PARIS

In the Old World in London and Paris, created long before the days of the railroads and when their dependence was mainly on water transportation, it was long ago decided that the Seine River or the Thames River could not be allowed to cut these cities in two, and we cannot afford to let this little Chicago River cut us into three parts when we could make it far more useful and much more beautiful and interesting by bridging it. We would still use it for the distribution of freight by barges just as is done on the Thames and Seine and other rivers. The total tonnage of the Chicago River is something like five thousand tons per day—one good-sized freight train! I can hardly believe that people would tolerate having the costly, ugly swinging bridges or even bascule bridges, interrupting traffic and costly to operate, to accommodate that small volume of business which could be handled.

I congratulate you in Chicago on what you have already accomplished. If it is true that "a work well begun is half done," you have certainly made fine progress. Furthermore, in looking over the prospectus your committee has drawn for the regional plan of the Chicago district, I see nothing to criticize and little to suggest.

#### THE NEW YORK ENVIRONS PLAN

The mantle of my beloved and our beloved friend, Charles Norton, fell onto my shoulders last March. Norton, who was one of the most far-seeing, far-visioned men that I ever met and at the same time courageous beyond belief, undertook this job in New York two years ago. Certainly if he had not undertaken it I do not believe I could carry it on, but because he undertook it and because at the moment there was no obvious person to step into his shoes, I saw I must carry on.



Norton, who had lived in New York some ten years, carrying with him the ideas and experience he had had here with the Chicago Plan, felt more and more strongly that something ought to be done in New York, and yet he realized how difficult a situation it was. He saw it in a bigger way than he had ever seen the Chicago Plan. He saw that when it was undertaken in New York it must be undertaken as a regional proposition, and he cut out for himself the undertaking with a radius of fifty miles from the Manhattan City Hall. In that radius, thanks to the Atlantic Ocean, we have only about six thousand square miles, but we have over nine million people—a population greater than the Dominion of Canada.

#### A CITY IN FETTERS

As a Frenchman who recently made a reconnaissance of the situation for us said, the one trouble with New York is that "*it is a city in fetters.*" It cannot grow naturally, and that in truth is the great difficulty. In Manhattan Island, for example, we have two million people; less than were living there twenty years ago, but that does not mean that the grass has already begun to grow in the streets of New York. For even though only two million people live there, there are close to four million people in addition who visit it every morning and leave every evening. Now, that problem of transportation alone is very great. The fetters that this Frenchman saw are the facts that on the West Side is the Hudson River, and it costs anywhere from a hundred to a hundred and fifty million dollars to cross that river with an adequate tunnel or bridge. Indeed, nobody has yet compassed the job of putting a bridge across it, but there are now plans made for two and a vehicular tunnel is being driven. The

East River on the east costs thirty to fifty million dollars to cross. The Harlem River on the north costs say ten million to cross, and there they have this same foolish idea that we have in Chicago, that they have got to have swing bridges, which greatly handicaps the situation.

#### THE SAGE FOUNDATION

Norton appreciated so fully the great difficulties of the problem that he presented the matter to the Trustees of the Russell Sage Foundation, arguing that under the will of Mrs. Sage it was required that one-fourth of the income should be spent for the welfare of the people of New York City, and Norton urged his co-trustees that in no way could the wishes of the donor be better served than in making a thorough study of the question of planning. He finally induced the Trustees to say that they would allocate half a million dollars to the undertaking, an amount to be spread over a period of five years.

#### THE COST IN MONEY AND MEN

But this is what we have found. When we started the plan of Chicago, Norton estimated that we could do a good deal with thirty thousand dollars. When the thirty thousand dollars had been spent more money was asked for, and after about two or three years we had spent something like three hundred thousand dollars, which was all put up by public-spirited citizens, mostly of the Commercial Club. Mr. Burnham himself not only gave his own time but contributed ten thousand dollars to the work. Now the advantage of having men put in their own money and time in an enterprise is that we never had any trouble getting earnest and efficient work from the men on the committee. There was not any disposition to sit back and "Let George do it."

In New York we are finding in undertaking this work, with the Sage Foundation back of us, that the same amount of money does not go nearly as far as it did when the men who were interested in the work were contributing to it. Seemingly, it is a good deal like Government work. We notice the same deadening effect. And you all know when the Government undertakes a thing it always costs several times as much as if a private individual did it. I wish it were not so.

#### FOUR SURVEYS

In order to convince the Knickerbockers that a regional plan is needed, four important surveys were set up. First, a survey of the physical, actual conditions of the city. This was under Mr. Nelson P. Lewis, who had been the chief engineer of the City of New York for many years, and very highly regarded. He had survived all changes of administration and had held his job strictly on merit. In the course of his work he has prepared three or four hundred maps, charts and graphs of various kinds showing the conditions in New York as they are.

Next a survey of the social and living conditions was set up. Among other studies, the Sage Foundation began about a year ago studying the ten worst, most squalid living quarters in New York City, Brooklyn, and Jersey City, making an intensive study in each case, seeing what the relations were in those areas to parks and playgrounds. We found in several of these areas (say a forty-acre tract) a population of five hundred to five hundred and fifty per acre, whereas four hundred per acre has always been considered the limit of decency. Now, we hope in dealing with this planning question to ameliorate that condition.

Then we have had another survey which has been very important, called

the economic survey. Two Columbia professors have dealt with this work. The problem in that case was to try to find out why industries located in New York and the environs. All sorts of graphs and historical charts have been made to show the growth and the development of a particular industry in recent decades. In some cases we find that the business is changing very markedly and decentralizing, and in other cases we find the congestion is becoming more serious. We find that the new immigration law is having a very profound effect. For a great many years certain industries were located in New York simply because there was this immense reservoir of poor foreigners arriving in this country, illiterate and ignorant, which were drafted into these industries. Now that that tide has almost entirely stopped, many of these industries are finding it advantageous to move to the suburbs.

Fourth among our surveys has been the legal survey. We were fortunate in having in charge of that work a man who has contributed a great deal to the subject of zoning; in fact, we call him the *daddy* of zoning, Mr. Bassett, and his advice has been of very great use to us not only on that subject but on others.

#### BUREAU OF PLANNING SERVICE

We realized that unless we were able to interest many people in our plans, we did not stand much chance of carrying them through. Therefore, our work has a rather ambitious title, "The Plan of New York and Its Environs," it might be better described by a sub-title of "Planning Service for the City of New York and the Surrounding Territory." In other words, we are trying through the generosity of the Sage Foundation to create a sort of a *bureau of planning service* which the City of New York and the cities



and towns outside, of which there are four hundred in three different states, can avail themselves of. We shall act as advisors and co-ordinators of their suggestions. So one of the important departments of our work is going to be that of *contacts* with the communities in the region. We are encouraging them in every way we can to set up their own organizations, local organizations, and it is that which I like about your plan here, that you are seeking to encourage these municipalities and villages to get into this game, of studying their own town planning. The central organization ought not to tell the town or village how it shall do many purely internal things. Their ordinary street system is not of interest to the great city, but the great arteries that pass through these towns and villages are of vital interest to the main city.

#### COMMITTEE ON THE FEDERAL CITY

There is also a movement for regional planning in Washington. About six months ago the American Civic Association came to me and asked me if I would reform an old committee that had died out, a committee of a hundred on the Washington plan. Those of you who visit Washington naturally think of it as being so nearly perfect and that it cannot be improved. The real fact of the matter is that the part of Washington which is perfect is the part planned more than one hundred years ago by George Washington, Thomas Jefferson, and Major L'Enfant of the French Army, and the part of Washington that is bad is the part that has been developed since.

Jefferson says in his *Memoirs* that when Washington was planned out to Florida Avenue on the north and the Potomac on the south, preparation was made for a city of a hundred thousand, and that there was no likelihood that

this limit would be reached in less than a century. Of course more than a century has rolled by, and we have a city of five hundred thousand, of whom one-fourth are colored.

Now, we had no means in Washington to carry on this work of planning. We were somewhat in the position as to funds that you are here, and because most people who live in Washington owe a primary allegiance somewhere else it is difficult to raise money there. So in starting the committee we had to create up our own "self-starter." I called on a hundred citizens and asked them to undertake this work, and in order to show their good faith and interest in the work I asked them to put up an initiation fee of ten dollars each. That gave us enough money to pay for the stenographic work, stationery, stamps and that sort of thing. Nobody was to get a salary, and everybody was to work, as Stevenson says, for the love of the doing.

That has gone on quite well. We have divided the work into ten committees as nearly as possible of ten each. I will give you an outline of what the committees are:

There is a committee on parks and parkways, on school sites and playgrounds, on waterfront development, on street systems and the approaches to Washington, on zoning, on housing, on architecture, on the surrounding area, and lastly, there is a committee on contacts. We have printed a little booklet which contains these reports and these have been sent out to similar committees that have been formed by the Civic Association in different cities of the United States.

Washington is in a peculiar position. Washington is the Federal City and is governed by the Federal Government. Nobody living in Washington has a vote, and the only way anyone can have a vote and live in Washington is

to claim residence outside of Washington, and that is sometimes an expensive luxury. So the obvious way to secure consideration of these matters is by developing public opinion in outside cities, to influence the congressmen representing those districts in Congress.

It is not that we want more money appropriated than Congress is now appropriating. That is not our contention. It is like the question here in Chicago. We are not trying to increase appropriations, but we insist that what is spent shall be spent intelligently.

Those of you who come to Washington and see how beautifully ordered the old center of the city is, and then see the outer edge of the city surrounded with beautiful forests, do not know that those trees and ravines are privately owned, and that if something is not done about it and the planning is not a little more intelligent than it has been in the past forty years, the hills will be leveled down into the ravines and there will be a lot of perfectly dead, uninteresting rows on rows of two-by-four houses. That is what is happening, and it is going to continue to happen if you do not help to stop it.

## THE PENDING LOS ANGELES CHARTER

BY C. A. DYKSTRA

*Los Angeles*

*In the opinion of the editor this article should be entitled "Los Angeles Turns Antiquarian," its charter commission having ignored modern progress toward unity and simplicity and divided the city administration among no less than sixteen mutually independent long-term departmental commissions. A type once common in American cities but now almost forgotten!* :: :: :: :: :: :: ::

IN December of 1923 the Los Angeles Board of Freeholders elected in June to draw a new city charter, finished their labors and voted to submit their work to the electorate in May of 1924. All but one of the fifteen members who were in the city signed the instrument. One member, a woman—and, by the way, there were three on the board—refused her signature because the charter contained a provision for a plan of financing small homes, a proposal which she declared she could not support in the form adopted.

In these days of charter making students are interested in knowing

whether new trails are being blazed and what old ones are being followed. It might reasonably be expected, for instance, that Los Angeles, in the heart of the city-manager belt, would be affected somewhat by the manager idea and would give it careful consideration. Since the Cleveland experiment with proportional representation some would expect consideration for this newer representative device.

As a matter of fact, it turns out that the idea of a manager for the whole city was given little consideration and proportional representation none at all. "There seemed comparatively



little demand for a city manager," says Mr. George H. Dunlop, secretary of the Board, "and we felt that no man has the strength or the varied enthusiasms to undertake the whole management of a large city." Proportional representation is unconstitutional in California under the decision in the Sacramento case, and there was no practical reason for discussing it.

In the minds of the freeholders, the outstanding contributions in the new charter are two—the enlisting of citizen service on a great number of administrative boards and the attaching to these boards of expert administrators to be known as managers. Commissions have been made even more important than they were under the old charter and responsible executives are given large administrative powers subject to these unpaid citizen boards. In effect, therefore, a careful distinction has been drawn between policy-making officials and administrators, although the point at which it operates is off the beaten track. It must also be apparent that the manager idea had some weight with the freeholders.

A glance at the charter shows that the executive budget idea is having its day in Los Angeles as well as in the state. The popular devices known as the I. R. & R. have been retained and perhaps further safeguarded. The non-partisan primary is retained; the merit system is carefully provided for; the recall is extended to all commissions and department managers; the purchasing power is taken from the Council and given over to the usual "agent"; wages and salaries are standardized and a bureau of efficiency set up and definite provision made for its support.

#### ELECTED OFFICIALS

The Major, the City Attorney, Controller, the Council and the Board of

Education are the enumerated elected officials under the new charter. The mayor's term is made four years along with those of the city attorney and the controller, the councilmanic term continues at two and the Board of Education is given a four-year-term under a provision for biennial elections.

#### THE COUNCIL

The number of councilmen is increased from nine to eleven. Section 6 provides that these shall be chosen at large, but an alternative proposition is to be submitted which sets up once more the old ward or district system and a council of fifteen.

This alternative is provided to meet the opposition to election at large which has appeared in the ranks of labor and in some of the far-flung outlying sections of the city—the harbor district, for instance, and the San Fernando valley communities. Labor insists that under the election-at-large principle the newspapers have dominated elections and the distant local centers declare their interests are neglected by a council chosen at large.

Provision is made for grouping the functions of the city into as many divisions as there are councilmen. Each councilman is then to be chairman of a committee of three whose business it shall be to know the work of that particular division and report to the Council as to its functioning. Specifically the committee is declared to have no administrative control over such functions. The president of the Council elected by that body is to name these chairmen.

#### THE MAYOR

The mayor's powers of appointment are qualified by the present extension of the merit system into practically all departments of the city government. The city clerk, the purchasing agent

and the treasurer are in this category along with almost all of the other administrative officers within the departments. Of course the commissions will each furnish one appointment a year.

#### THE DEPARTMENTS

Sixteen departments are created and standardized as to numbers, organization, terms and general powers. Each of these has five commissioners, appointed for five-year terms and paid an attendance fee. Removals by the mayor are contingent upon a majority vote of the Council. The boards choose their own officers and are required to appoint general managers to administer the affairs of the departments. The boards' duties are declared to be supervisory only; it devolves upon the managers to do for the departments what city managers are supposed to do for "manager cities."

The standardized departments run as follows:

- Building and Safety
- City Planning
- Civil Service
- Fire
- Harbor
- Health
- Humane Treatment of Animals
- Library
- Municipal Art
- Parks
- Pensions
- Playground and Recreation
- Police
- Public Utilities and Transportation
- Social Service
- Water and Power

The Department of Public Works is organized somewhat differently. The members are to give full time and be paid regular salaries to be fixed by ordinance. Its executive officer is the city engineer.

A Department of Trusts is provided

for to care for trusts, gifts and bequests made to the city. It is to have seven members, two of whom are the mayor and the president of the Council. The others are to be chosen by a Board of Appointment definitely provided for and named by office.

The Department of Education of seven elected members is the typical facility known to American cities.

#### HOUSING COMMISSION

The charter breaks new ground in providing for a Municipal Housing Commission of fifteen. These are chosen by the mayor subject to confirmation under the limitation that twelve of those "directors" are to be named from the "twenty-four largest registered holders of bonds" of the commission. The terms are three years.

Briefly the powers of this body are:

(a) To issue bonds in the name of the city under terms to be prescribed by ordinance. These bonds are to be a lien on the property of the commission and the city is not to be liable.

(b) To go into the real estate and construction business in order to provide homes for "those who might otherwise live in overcrowded tenements, unhealthy slums, or the most congested areas." So long as any of this property belongs to the commission it is not subject to taxation.

(c) To receive gifts to be used for such housing purposes.

(d) To control the "housing fund" deposited in the city treasury.

The bonds issued by this commission may be of two classes—fully paid bonds bearing  $5\frac{1}{2}$  per cent interest and those payable in installments of one dollar a month on each \$100 bond.

It is provided that the Housing Commission shall not be subject to the charter provisions on civil service, pensions, purchasing agents or controller.



Just how the courts will look upon this provision in case the charter carries is at the present time an interesting item of speculation. This housing enterprise is presumably municipal and yet the city is specifically exempted from liability. If it is finally declared a permissive private philanthropic venture it will have the advantage of tax exemption.

Nothing need be said about the election provisions of the charter. They are the ordinary non-partisan devices now common enough. The noteworthy change in the recall section is the extension of the principle to appointive boards and departmental managers.

#### BOROUGHES

Provision is made for the creation of boroughs within the city. Any annexed section not a part of the original central city of 4,000 acres or of 40,000 population may become a borough by action of the City Council and a vote of the residents of the proposed borough territory.

Once formed the borough is to have an Advisory Borough Board of five members appointed for five years by the mayor, after conference with local civic bodies. This board is to have power to adopt a budget for its own work and make budget appropriations, authorize the City Council to levy a borough tax not to exceed ten cents on each hundred dollars of assessed valuation—provided that the tax is collected as the city tax is collected and kept in the city treasury—present borough needs to the City Council, request the Council to call special borough elections for the voting of special district bonds or taxes, and to

promote the borough interests generally.

The borough device suggested by this charter is manifestly a plan which will give to local sections of the city the opportunity for the creation of local sentiment and the development of local pride by making possible services and improvements which the city as a whole cannot be committed to or finance. The voluntary character of the plan presents an interesting possibility in the development of our metropolitan cities. Under the Los Angeles Plan all administrative services of every kind are rendered by the city departments and the borough furnishes the funds for special services. The advantages of local expression are also combined with the idea of one legislative body for the whole community.

#### CONCLUSION

In the large the charter is conservative and is drawn in the light of the city's experience with the old charter. Little attention was paid by the drafters to the charters recently adopted in other American cities or to recent studies in the field of municipal administration. This was due in part to the feeling that the city would not accept a thoroughly revamped and revised charter and, in the second place, to the attitude of the freeholders themselves. They believed that the old charter was an excellent instrument and needed comparatively slight changes; that the amendments of the last few years had kept it quite modern; and that some of the amendments, such as the civil service sections, might be jeopardized if thoroughgoing overhauling was undertaken.

# MEASURING THE RESULTS OF GOVERNMENT

BY A. E. BUCK

*New York Bureau of Municipal Research*

*This paper was read at the joint meeting of the National Municipal League and the Governmental Research Conference held at Washington November 15, 1923.    ::    ::    ::    ::    ::    ::    ::    ::*

THE budget is now generally understood to be the document that sets forth the financial plan of the government. It is supposed to furnish all the information necessary for a critical appraisal of this plan by the legislative body and the people.

## NEED FOR MORE EXTENSIVE BUDGET INFORMATION

The best form of budget document at the present time presents a financial plan based wholly upon detailed estimates furnished by the various organization units of the government. These estimates show the departmental needs in terms of services, commodities, and obligations, and compare these needs with past and present expenditures for the same purposes. That is, the estimates are expressed entirely in terms of things to be purchased or payments to be made by the departments. Little or no information is furnished as to how the departmental work is being carried on, or what the results of past work have been.

Let us take the fire prevention work of the department of public safety of a city government as an illustration of the information contained on the budget estimates. The fire division of the department requests on its estimates ten fire prevention inspectors at salaries of \$2,400 each per year, or a total of \$24,000. The estimates state that

two of these inspectors are new additions to the force, that the other eight inspectors receive salaries of \$2,300 each at the present time and were paid at the rate of \$2,160 each during the preceding year. This information tells definitely just what personal services have been used, are being used, and are to be used in the fire prevention work, as well as the cost of the same. But no information is presented telling anything about the actual work, or giving any idea about the results of the work. The city council is not told how many inspections were made during the past year by each inspector, or why it is necessary to put on two more inspectors. The council is not told anything about the results of the work in eliminating fire hazards or in decreasing the actual loss of lives and property from fire. The number of inspections made by each inspector during the year may be a matter of record in the office of the division chief, and, if called for by the council, may be produced by the chief as evidence in favor of his request for two additional inspectors. If this information is not on record in the division, then the chief will say: "I estimate that the present force of inspectors made so many inspections during the year, and that so many inspections should have been made; therefore, we need two additional inspectors." If asked about the results of the fire prevention work, the chief will probably



say: "It is very valuable work. It is a means of greatly reducing the fire losses in the city. We must have two more inspectors so as to make it more effective." He furnishes the council and the public no definite information to show what the actual results have been. In his judgment the fire prevention work has been worth while. If the members of the city council do not accept the judgment of the chief as to the needs of the fire prevention work, they must fall back on their own judgment as to what the work demands. They have no other way of checking up on the demands made for the work from the results accomplished. They have no means of knowing whether the work requires ten or five or fifteen inspectors, or whether the money that the service is costing is well spent or wasted.

This serves to illustrate how limited is the information now set forth in the best of budget documents. It also points to the need for the development of a more or less new type of information that will make it possible to evaluate the results from past expenditures and to weigh future governmental needs.

#### LINES FOR FURTHER DEVELOPMENT OF BUDGET INFORMATION

Both from the standpoint of better budget planning and the proper evaluation of the functions of government, there are three things that it is desirable to measure. These are as follows:

1. The purchases, that is, the services, commodities, etc., which are bought by the government to carry on its work;
2. The operation of governmental departments and agencies; and
3. The actual results of departmental and institutional service.

In other words, these three things have to do, first, with what the government

buys; second, with how it uses what it buys; and, third, with what follows or results from the use. We need, therefore, methods for three types of measurements, namely, (1) measurement of purchases, (2) measurement of work, and (3) measurement of results.

#### MEASUREMENT OF PURCHASES

For the past fifteen or twenty years accountants and budget specialists have devoted much time and thought to governmental purchases and methods of control over them. Such purchases have already had applied to them definite standards and units of measurement. They have been very well classified and standardized for accounting and budget-making purposes. At the present time we have fairly complete classifications of the services, supplies, materials, equipment, etc., purchased by the government. We also have standard specifications covering most of these things to protect the government against buying those of inferior quality. Under our present accounting systems, we have unit costs and fairly detailed information about everything that is bought for the work of the various governmental agencies. We are now most in need of additional measurements and further information with reference to the operations of these agencies and the results of their work.

#### MEASUREMENT OF WORK

Accountants and others have recently given considerable thought to devising methods of measuring the operation of governmental departments and agencies.<sup>1</sup> They have established units of work for some activities of government and have determined the unit cost of such work. In some in-

<sup>1</sup> Eggleston: *Municipal Accounting*, chapter XIV. Metz Fund Handbook of *Municipal Accounting*, chapter VI.

stances they have determined the rate of work and have attempted to set up standards of working efficiency. These units of measurement are, however, rather limited in their application at the present time, because they have not yet been broadly outlined and developed. They need to be extended to all of the activities of the government. When work units have been devised for each activity of the government, it will be possible to express the budget plan in terms of work to be done as well as in terms of services, commodities, etc., to be bought. Such units would then be a means of enabling the administrator to check up from day to day, and week to week, on the working efficiency and cost of every activity under his control. The working efficiency of the various governmental agencies, of course, enters into the final results achieved and is also reflected in the budget requirements in the form either of greater or less expense for services, commodities, and so on.

Considerable more might be said upon this subject of measuring the operation of governmental departments and agencies, but since we are concerned in this paper mainly with the measurement of results, we shall pass on.

#### MEASUREMENT OF RESULTS

People have been led to believe that the dollars expressed in the budget were an accurate measure of the services rendered by the government. This idea is largely erroneous. A large amount of money may be expended upon one activity of the government with practically no favorable results, while a small amount of money may be expended on another activity with large returns in service. We cannot continue to depend largely upon personal judgment, if we are to evaluate properly the worth of governmental services and to weigh correctly the ever-

mounting expenditures of the budget. We must devise a method of measuring actual results so as to determine accomplishments or failures. This is not an easy task. Only a few scattering attempts have been made to measure the results of government, and these have touched very superficially just a few of the activities in the total range of governmental affairs. The field as a whole is practically untouched. In fact, so little has been done in this field that many still doubt the possibility of measuring the results of government.

#### ARE RESULTS OF GOVERNMENT MEASURABLE?

Although many may not be willing to agree that the results of government are measurable, we are constantly evaluating governmental services, or trying to evaluate them, in some way or other. This is especially true if we happen to be staff members of a municipal research organization. We survey a city government and, after studying the work of the various activities, we proceed to appraise the results. This appraisal is the basis of our report, in which we may commend or criticise the work of the city government. How did we make this appraisal? Was it not largely by means of personal judgment based upon our observations and experience?

As research men, are we going to let the matter rest there? Is there no way to determine what the results of government are except by personal judgment? If not, then there is no such thing as a scientific appraisal of government. So long as individual limitations, prejudices, and interests, enter into the measurement of governmental services, these services cannot be appraised scientifically.

For many years students of government have been busy formulating general principles that put government on



the footing of a science. We are told that the earmark of a science, as distinguished from an art, is that the operations and results of a science are measurable. Art, they say, depends upon individual skill, imagination, and leadership, which can be appraised by judgment alone. In so far as the elements of art enter into the work and results of government, we should expect, for the present at least, to leave their appraisal to judgment as heretofore. Parenthetically, I might say, who knows but that psychologists or others may in the future devise methods by which human judgment can be measured. Then we shall be able to measure even art itself. However, at the present time it is apparent that a large number of the results of government are measurable, if we only take the time to devise methods. The results of some governmental services appear upon first examination to be quite complex and even intangible, but upon careful analysis these may be shown to be measurable.

Wherever practicable, definite measurement of the results of government should be substituted for judgment. We usually *judge* a thing by comparing it with some other thing. We *measure* a thing by comparing it with some definite scale accepted as a standard. Measurement is therefore more exact, more reliable.

Progress has come in modern sciences largely through the development of means of exact measurement. Before the thermometer was adapted to clinical uses, the possibility of knowing that a patient did or did not have fever as a result of his condition depended entirely upon the judgment of the physician. Then the physician felt of the patient's forehead, looked in his mouth, counted his pulse beats for a minute, and said: "I think you have a slight fever." Now, the element of

judgment in such cases is eliminated; the physician simply places his thermometer under the patient's tongue, and not only is the fact that the patient has fever recorded but the exact amount of the fever is shown to a fraction of a degree.

It may sound like a dream to some of us, but that is exactly what we want to bring about in the case of governments. We want to devise methods and standards by which we can measure the results of a government so the information we get will be accurate and conclusive.

#### WHY MEASURE THE RESULTS OF GOVERNMENT?

As the burden of taxation increases to meet the rising cost of government, the taxpayer is becoming more and more interested in what he is getting in the form of governmental services. As a citizen, he wants to know more about the actual results from the operation of governmental departments and agencies. If he is a member of the city council and charged with the duty of passing on the city's budget, he would like to have some accurate means of determining the relative needs of the various departments of the city government. He would like to know if one department is being provided for much beyond the importance of its activities in relation to other departmental work and the total income of the city government. He would like to know if considerable money is being spent upon one activity that is accomplishing nothing, while another activity of great value to the community is being financially starved. With this information at hand the budget estimates could be measured quickly and accurately, and the amount of money appropriated to a given department would not depend upon the quantity of services and commodities that it

consumed in its operation during the previous year or two, but upon the actual results accomplished.

We need a scientific method of arriving at accurate evaluations of the results of government work for the following reasons:

1. The rapidly mounting cost of government, and the consequent increasing tax burden for its support;
2. The wide overlapping of functions within the same government, and of functions and fields of government, as between local governments, such as the city, special districts, and the county, and as between the local and state governments;
3. The rapid expansion of governmental activities—the future pointing to still greater extension of these activities;
4. The political aspects of government, the general policies being largely subordinated to party advantage and control. As long as we continue to judge results rather than measure them, it will be possible for the politician to misrepresent the actual results so as to make capital for himself or his party. Demagogues thrive best where there is great diversity of opinion on the operation and results of government.

The establishment and application of a method for measuring the results of government should:

1. Decrease the cost of government services by pointing to better methods, better organization and the reduction of personal services;
2. Increase the working efficiency and practical utility of the work done;

3. Develop the idea that government administration is a science;
4. Encourage general interest in, and intelligent criticism by the citizens of questions relating to the government;
5. Permit comparisons between governments. Then it will be possible to compare the actual results of one city with those of another and to rate the different cities according to the results attained in the various city activities.

#### THE APPROACH TO A METHOD FOR MEASURING RESULTS

Having persuaded ourselves that the results of government can be measured and that there are certain real benefits to be derived from such measurement both in the way of needed budget information and as a check upon the policies and work of the government, we must next face the proposition of how it is to be done. That the problem is large and complex, we cannot deny. An approach to its solution involves a complete analysis of all the functions of government. This can best be done, for example, by starting with city governments. In this analysis of functions, the elements or processes that enter into each function must be shown, the points at which a given function impinges upon other functions must be clearly brought out, and the relation of each of the functions to the functions of other superimposed or subordinate governments. In making this analysis, we will find it necessary to divide functions into groups and perhaps classes. We may find it necessary to classify functional groups, according as the functions composing them have as their immediate object (1) the rendering of service directly to or for the public, (2) the making available of the



means and instruments, consisting of funds, personnel, commodities, and property, whereby such service may be rendered, or (3) the determination and direction of the services to be rendered, of the means and instruments to be used in rendering them, and of the manner of acquisition, use and disposal of such instruments. Thus we can separate from the others those functions of government that render services directly to the public—that produce service results. These are the functions that we want to measure both as to their work and as to their results. Of course, we will want to measure the other functions as to their work.

After we have made a complete analysis of governmental functions, and resolved each function into its component elements, we will then determine the factors that influence or control the work of each element. We will want to find the order of importance of these factors and eliminate so far as possible those that are least important. We may then work out definite relationships or ratios between the remaining factors and establish an index for measurement.

We shall have to bear in mind that any method that we may establish for measuring the results of governmental functions must be as simple as is consistent with the complexity of the functions to be measured. And it must eliminate, as far as possible, personal

judgment or opinion. The development of such a method should enlist the thought and co-operation of research men, government administrators, and students of government. Research men in the different fields of government, particularly accountants and statisticians, should have something definite to contribute toward working out this method.

#### SUMMARY

By way of a brief summary, let me say that the present need for more exact information about the purchase requirements, the operation, and the results of government is quite evident. We have already developed fairly accurate means of measuring the government purchases, both as to the quantity and quality of commodities and services. But we have so far done very little in the direction of measuring government operation or work. We need to do a great deal more in this field for the assistance of administrators in developing work programs and for general public information. Practically nothing has yet been done toward the measuring of results of government. Such measurements are essential to careful budget making, and to better accounting and reporting. And most important of all, they are essential to an intelligent understanding of the government by its citizens.

# STATE SUPERVISION OF LOCAL INDEBTEDNESS

BY LANE W. LANCASTER

Wesleyan University, Middletown, Conn.

*The creation and retirement of local debt in the United States has been considered by our States as a problem for constitutional and legislative treatment. In view of the facts that eleven billion dollars' worth of state and municipal securities are now in the hands of investors and that this sum is being added to at the rate of from fifty to seventy-five millions per month, the character of these legal restrictions is an interesting subject for investigation.*     ::     ::     ::     ::     ::

## CONSTITUTIONAL RESTRICTIONS

CONSTITUTIONAL restrictions on local borrowing may be most conveniently summarized by grouping together the provisions concerning those features of public debts to which greatest attention is devoted.<sup>1</sup>

1. *General percentage limitations.* Twenty-six state constitutions prescribe percentage limitations on local borrowing for what might be called "general municipal purposes," the limitation being based in almost all cases upon "the assessed value of property." Fifteen of these prescribe limits of 5 per cent or less; nine between 5 and 10 per cent; only two permit debt in excess of 10 per cent of the assessed value. Generally speaking, the power to incur debt is extended upon the same terms to all political subdivisions in spite of the ease with which special jurisdictions covering identical territory are created. South Carolina is the only state whose con-

stitution limits the total indebtedness which may be imposed upon a given territory by its component parts.<sup>2</sup>

2. *Borrowing "outside the debt limit."* In very few instances is the limit discussed above the absolute one. In the majority of constitutions provision is made for increasing indebtedness beyond the general limit for specified purposes—usually for revenue-producing utilities or (as in some western states) for such improvements as sewers. In practically all these cases an attempt is made to secure conservatism in such financing by requiring an extraordinary-majority vote of the people or by requiring that the utility to be acquired shall be so managed as to be self-supporting. Some few states have gone still farther and provide that debts for such utilities may be secured by mortgage upon the plant acquired. In some of these cases the constitutions expressly state that such debts shall impose no general municipal liability.<sup>3</sup>

<sup>1</sup> Twelve state constitutions make no mention whatever of the subject of local indebtedness. Ten others, while containing no percentage limitations, place other restrictions on the borrowing powers such as the prohibition against the lending of credit, etc.

<sup>2</sup> Art. X, Sec. 5. The internal limit is 8 per cent, the external limit 15 per cent.

<sup>3</sup> Louisiana, Michigan, Missouri, Ohio. It is difficult to see what advantage this actually gives the city, and it appears in some cases to have weakened the market for municipals.

3. *Constitutional requirements as to redemption.* Seventeen state constitutions make mandatory the collection of a tax sufficient to retire indebtedness. In some cases this provision simply requires a tax sufficient to meet the interest and retire the principal of a loan "when due."<sup>4</sup> Most of the constitutions, however, impose maximum maturity limits for loans. These limits are: 15 years in Colorado, 20 years in Idaho, Illinois, Missouri, and Wisconsin; 25 years in Oklahoma; 30 years in Georgia and Pennsylvania;<sup>5</sup> 34 years in West Virginia; 35 years in Arkansas; 40 years in California,<sup>6</sup> Kentucky and Louisiana; and 50 years in New Mexico. Two states only have constitutional tax limits applying specifically to debt charges—Colorado and New Mexico, the limit being twelve mills in both states. Louisiana is the only state whose constitution makes mandatory serial redemption. There are no constitutional provisions against refunding.

4. *The authorization of debt.* Of the thirty-six constitutions dealing with local indebtedness sixteen require some sort of popular approval of bond issues, either in all cases<sup>7</sup> or under certain specified conditions. The initiative is everywhere left with the ordinance-making body and in twenty states the constitution makes no provision for a referendum, although this is a practically universal requirement in the statutes.

<sup>4</sup> N. D. Amendment 35; S. C. Art. VIII, Sec. 7; S. D. Art. XIII, Sec. 5.

<sup>5</sup> Philadelphia may become indebted for some purposes for longer periods.

<sup>6</sup> Three California cities are exempt from this limit.

<sup>7</sup> Colorado, Louisiana, New Mexico, South Carolina, South Dakota and Utah require a majority vote on all issues; Georgia and Missouri require a two-thirds majority and Oklahoma and West Virginia a three-fifths vote.

#### GENERAL NATURE OF CONSTITUTIONAL PROVISIONS

The extent to which state constitutions occupy themselves with the four features of local indebtedness dealt with above emphasizes the chief characteristic of constitutional treatment of the subject, namely, its inclusiveness. Constitutional restrictions were the product of several decades of unwise local financing during the middle period of our history. The recurrence of such extravagance was to be made impossible by the imposition of inflexible rules governing the creation of debt. To prevent extravagance it was proposed to attack the whole problem by dealing with specific abuses connected with the use of the public credit. With the passage of the years the scheme of constitutional regulation has come to resemble the use of a pile-driver as an insecticide. While it is true that the danger of wastefulness is never far distant in democratic governments it cannot be denied that financial practices have become so flexible that to deal with the details of local financing in such a slowly-changing instrument as a state constitution seems now to be unwise. Some justification may indeed be found for a general percentage limitation in the constitution. Though open to serious theoretical objections such a provision does offer a rough rule for measuring debt-paying ability. This is so generally recognized in practice that the market has come to demand such a provision. It is doubtful, however, if the constitution should go beyond this. Ordinary legislation offers a much more adaptable means of dealing with such matters.

#### STATUTORY PROVISIONS

The general laws of the states concerning local indebtedness are so ex-



tensive and intricate as to defy generalization.<sup>8</sup> Most of them, however, attempt to deal with the following features of the problem:

1. *The amount of debt which may be incurred.* Little need be said about this class of provisions. Wherever the constitution imposes a maximum percentage limitation it is the tendency of the statutes to take full advantage of the constitutional limit. In a few cases, however, where there is no constitutional limit, the statutory limit is stricter than the average constitutional provision.

2. *The authority for incurring debt.* The requirement of a referendum on local loans is almost universal. In four states only does the local governing body have anything like full discretion.<sup>9</sup> In practically all the other states debt may be incurred only after a vote of the people—this vote varying from a simple majority to a three-fifths majority. The right to vote is usually extended to all regularly enrolled voters, though some states (for the most part in the west) allow only taxpayers to take part in such decisions. In only one state is the creation of local debt in any way dependent upon the action of a central state authority. An Indiana Law of 1921 outlines the following scheme for the

control of local debts: If the proposal of the local governing body to incur debt in excess of \$5,000 is opposed by ten or more property taxpayers of the taxing district the latter may file a petition requesting that the proposed loan be referred to the decision of the State Board of Tax Commissioners. The Board is then required to hold a hearing in the county in which the taxing district is located. "The decision of the State Board of Tax Commissioners upon the issuance of said obligations and the amounts thereof, if any, which may be lawfully issued shall be final." While this law was passed as an accompaniment of a sudden change in the assessment basis it seems likely to remain an integral part of the state's policy towards local governments. Its influence as a force for conservative financing has been of undoubted value.<sup>10</sup>

It is perhaps too early as yet to speak with confidence of the results of the referendum on any public question. It seems fairly safe to say, however, that the indiscriminate use of this device on any and all questions has deprived it of many of its theoretical excellences. On the question of public debt a wiser plan (in the absence of some scheme for administrative control) would seem to be to allow the governing body a fuller discretion in the incurring of debt but at the same time to subject it to the check of the referendum only in case a substantial number of citizens demands its use.<sup>11</sup>

3. *Provisions regarding the term of issue.* Extended experience of investors

<sup>8</sup> No account is taken of the laws of those states in which all, or nearly, all local indebtedness is authorized by special laws; e.g. Connecticut, Rhode Island, Maryland, South Carolina and Georgia.

<sup>9</sup> In Nevada, except for utilities; emergency loans must have the approval of a state board; Sec. 794, R. L. of Nevada; Ch. 217, Laws of 1921; in New Jersey townships and boroughs people may petition for a referendum; Sec. 9, Ch. 252, Laws of 1916; in Mississippi the council has the right to authorize debt in towns of less than 12,000 population unless people petition for referendum; Ch. 206, Laws of 1920; see also Secs. 2938, 2948, Consolidated Statutes of North Carolina.

<sup>10</sup> Sec. 4, Ch. 222, Indiana Laws, 1921; see also J. A. Estey, "Indiana Tax Reforms," in NATIONAL MUNICIPAL REVIEW, 9: 411-418; Reports of the State Board of Tax Commissioners in Indiana Year Book, 1919, 1920, 1921.

<sup>11</sup> See Report of (N. Y.) Special Joint Legislative Committee on Taxation and Retrenchment, Retrenchment Section (March, 1922), pp. 73-74.

in municipal securities has furnished two very definite principles concerning the term for which such obligations should be issued and the method to be employed to discharge them. These principles are: First, that a direct and measurable relation exists between the character of the improvement to be financed by borrowing and the term for which the loan should run; and, second, that real economy demands the repayment of loans in regular and fairly uniform installments rather than in one payment at their maturity. It is interesting to note to what extent these principles have been recognized in our state laws.

Of the forty-eight states thirty-eight have general laws specifying limits within which local debts must be paid or refunded.<sup>12</sup> The laws of about two-thirds of the states provide merely for maximum periods within which debts must be paid. A small, but in recent years, increasing number of states, have enacted legislation based upon the principle that the obligation by the issue of which an improvement is financed should be retired within the life of the improvement.<sup>13</sup>

Eighteen of our states expressly permit or make mandatory the use of the serial plan of debt repayment. Of this number ten have mandatory laws.<sup>14</sup> The recent progress of the serial plan is evidenced by the fact that, with a single exception, its adoption has taken place within the last ten years and in four states it was not made mandatory until 1921. Model laws embodying

both these principles will be discussed below.

4. *State registration of local debt statistics.* Of the forty-eight states nineteen make some provision for the registration with a state authority of data pertaining to local indebtedness. The character of these provisions ranges all the way from the simple requirement that the state authorities shall be periodically notified concerning local debts to provisions making such notification precedent to the creation or validation of debts. The laws of eleven states require a periodical report of such data to a state official but do not contemplate more than a complete record of such transactions.<sup>15</sup> The law of Pennsylvania requires the filing of such data with the clerk of the (county) Court of Quarter Sessions at the time the debt is incurred. The laws of Missouri and Nebraska require annual reports to the State Auditor concerning new debts and those redeemed during the year. On the basis of these reports the Auditor certifies annually to the municipality the amount necessary to pay interest and maturing principal. This amount is collected as a part of the state taxes levied in the municipality and paid to the local authorities. Finally a few states require registration as a part of a scheme for state validation of municipal bond issues. In Massachusetts registration is required with the Director of Accounts, who has powers over certain kinds of local obligations which practically amount to validation.

The advantages of having an accurate record of local debt would be threefold. In the first place, it would be of considerable value to the investor to have constantly available accurate data on the volume and character of

<sup>12</sup> Only four states specifically forbid refunding: Georgia, Louisiana, Massachusetts and New Jersey.

<sup>13</sup> Massachusetts, New Jersey, New Hampshire, Ohio, North Carolina and Wyoming.

<sup>14</sup> California, Colorado (for refunding bonds) Louisiana, Massachusetts, Mississippi, New Hampshire, New Jersey, North Carolina, Ohio and Vermont.

<sup>15</sup> California, Connecticut, Idaho, Indiana, Iowa, Kansas, Mississippi, North Carolina, Texas, West Virginia and Wisconsin.

local debts. In Massachusetts where such data have been reported for some fifteen years, the material collected has been of great use to bankers and private investors. In the second place, the existence of such a volume of reliable facts would be of inestimable value to the state as a guide in its policy towards the finances of its subordinate governments. As the pressure increases on state governments to protect their own credit and that of their subdivisions, some such scientific basis will have to be laid. Lastly, the collection of such facts would redound to the benefit of the taxpayer. In a state containing hundreds of debt-incurring units the credit of all but the very largest depends in no small degree upon the character of the financial practices of perhaps the smallest. The credit of every community could be placed on a distinctly higher plane if every local council knew that its own record of debt administration was common knowledge among those who furnish the cash. Routine collection of such facts by officials charged with their proper interpretation is a function of undoubted importance and one which could be assumed in most states without large additional expense by existing agencies.<sup>16</sup>

A detailed analysis of the legislation of the forty-eight states relating to municipal indebtedness reveals at once its piecemeal character. In few states do the general laws give any evidence of being built around any single principle. Provisions of one sort or another have been added at various times apparently without reference to existing statutes. Often the general law is general only in name, special laws

superseding it in many communities. Special legislation originally enacted to meet specific abuses or local situations has often continued unrepealed to weaken the force of the general laws. The net result is a morass of enactments filled with pitfalls even for the expert. The laws of most of the states give no evidence of any realization of the intimate connection between such matters as debt limits and taxing methods, assessment bases, overlapping districts and administrative machinery. Finally most of them are weak in their lack of harmony with legislation on closely related subjects and in their failure to provide a necessary minimum of routine administrative control.

In spite of the undoubted weakness of our policy (or lack of policy) towards local debts considerable progress has been made in recent years towards the scientific handling of the problem. The pioneer in the field of scientific regulation was Massachusetts. This state, by a series of laws enacted during the past fifteen years and based upon thorough investigation and tested by actual experience, has constructed the most advanced local financing program to be found in the United States,—a successful experiment which has already served as a model for other states. Since the Massachusetts laws have been described before in the REVIEW it is only necessary here to set forth their chief features.<sup>17</sup>

(1) Borrowing for current expenses is ended not only by statutory prohibition but by the provision that a state official, the Director of Accounts, shall refuse certification of notes issued by towns for such purposes. Moreover, the records of the indebtedness of all local governments, kept by the Direc-

<sup>16</sup> The present equipment of the states for this sort of work is discussed by Wylie Kirkpatrick, "State Supervision of Municipal Accounts," NATIONAL MUNICIPAL REVIEW, XII: 247-254 (May, 1923).

<sup>17</sup> C. F. Gettemy, "Recent Legislation Relating to Municipal Indebtedness in Massachusetts," in NATIONAL MUNICIPAL REVIEW, III: 682-692.



tor of Accounts, are open to all investors and constitute a bar to such financing even in the case of loans over which the Director has legally no control.

(2) Temporary borrowing in anticipation of tax receipts is placed on a scientific basis by (a) limiting the amount of such loans to the taxes actually collected during the preceding year; (b) by requiring such loans to be repaid within one year and making it the duty of local officials in towns to report such repayment to the Director of Accounts; (c) by requiring, in the case of towns, the certification of such loans prior to their issue by the Director of Accounts.

(3) The legislation relating to permanent indebtedness recognizes the principle that debts should be repaid within the period of the usefulness of the improvement and the maturity limits allowed are so determined as to ensure a proper distribution of the burden of repayment between the present and the future. Debts for general municipal purposes must not exceed the limits of  $2\frac{1}{2}$  per cent in cities and 3 per cent in towns. A two-thirds vote of the people is required to approve all debt proposals. While the constitution of Massachusetts does not prevent special legislation the dangers of this are mitigated by the requirement that the Director of Accounts shall examine all petitions for special treatment and report to the legislative committee to which such petitions have been referred. Thus the legislature has the benefit of the impartial opinion of a state authority well equipped to learn and pass upon local financial needs.

(4) By making mandatory the serial method of redemption the Massachusetts legislation (a) abolished the administrative difficulties inseparable from the management of sinking funds

and (b) allowed a fair sharing between the present and the future of the cost of capital improvements.

(5) The notes of the 316 towns of the Commonwealth are issued subject to the certification of the Director of Accounts—a procedure which is, in effect, a guarantee of legality, since the Director must withhold his signature if the town has failed in any way to comply with the provisions of the laws relating to municipal indebtedness.<sup>18</sup>

(6) The auditing function of the Division of Accounts<sup>19</sup> has been an integral and invaluable part in the practical administration of the Massachusetts program. The present laws provide for an audit of the accounts of all the subdivisions of the Commonwealth at least every three years.<sup>20</sup> Compulsory acceptance of a uniform accounting system, although often proposed, has not yet been provided for, although many municipalities have voluntarily accepted systems installed by the state authorities.

The beneficial results of the Massachusetts legislation cannot be doubted. Since its enactment practically every community in the Commonwealth has been placed on a pay-as-you-go basis. The old practice of cheerfully borrowing from trust funds has disappeared and such debts have been almost entirely cancelled. Nearly 90 per cent of the borrowing of cities and towns is on a serial basis. Slowly but steadily local communities are accepting the services of the state in installing scientific accounting systems. The advisory functions of the Division of Accounts have been extremely important both in guiding local governments and in

<sup>18</sup> Certification does not apply to bonds issued by towns nor to city notes or bonds.

<sup>19</sup> Now a division in the Department of Corporations and Taxation under the Consolidation Act of 1919.

<sup>20</sup> Ch. 245, Acts of 1920.

supplying the basis for necessary state action in amendments and additions to the original laws.

The example of Massachusetts was followed (in 1916-1918) by New Jersey where, under the leadership of Assemblyman (now Senator) Arthur N. Pierson, and following a thorough study of the question of local debts by a joint committee of the legislature, an important body of financial legislation was enacted. While the underlying theories of the two systems are similar they differ in the machinery of enforcement. The New Jersey laws follow Massachusetts in making mandatory serial repayment, forbidding refunding and requiring indebtedness to be cancelled within the life of the improvement. There is a considerable difference, however, between the position occupied by the Massachusetts Director of Accounts and the New Jersey Commissioner of Municipal Accounts. The position of this latter official is unique in American experience. He is required to conduct annual audits of the accounts of the municipalities of the state as well as special audits on his own motion.<sup>21</sup> He receives annually from local financial officers a record of new indebtedness and on this basis certifies back to the locality, as a mandatory item in its budget, the sums necessary to be carried to sinking funds and to meet maturing installments of indebtedness.<sup>22</sup> The act creating his department provides that if examination of a municipality's accounts shows any irregularity, the Commissioner may order a special investigation. His recommendations on the conduct of

the municipality's affairs are mandatory upon the governing body whose members are subject to a fine for non-compliance. The same act provides that the Commissioner may "inquire into any item of any budget or certification of requirements and may order any item required by law to be raised by taxation . . . which has been omitted . . . to be included in the budget . . . or may inquire into any item in the budget and if wrongly stated . . . he may order same to be corrected and properly stated . . . and all such orders shall constitute a mandatory obligation upon the governing body. . . ."<sup>23</sup>

In addition to its other features it is worth noting that New Jersey's indebtedness act is only part of a comprehensive financial program for local governments. For, concurrently with it were passed acts overhauling the general financial machinery of the municipalities of the state, bringing the taxing and assessing machinery into closer harmony with the laws regulating the creation of temporary and funded indebtedness. Thus in New Jersey something like a real financial program has been put into force and machinery set up for its proper enforcement.<sup>24</sup>

Space does not permit the detailed discussion of recent legislation in other states. New Jersey was followed closely by North Carolina, which state, in 1917, enacted a comprehensive Municipal Finance Act covering temporary and permanent financing and budgetary procedure. While closely patterned on the New Jersey scheme, the

<sup>21</sup> The audit is only biennial in those municipalities where the assessed valuation is less than \$3,000,000.

<sup>22</sup> These powers were upheld by the New Jersey Court of Errors and Appeals in *Plainfield vs. The Commissioner of Municipal Accounts et al.*, 98 N. J. Law, 84 (1918).

<sup>23</sup> Sec. 3, Ch. 192, Laws of 1917 (The Budget Act) requires the city clerk to mail a copy of the budget as soon as approved to the commissioner.

<sup>24</sup> The New Jersey legislation is summarized by the author of the indebtedness and sinking fund acts in *Analysis of the Laws Affecting County and Municipal Finance and Taxation*.

North Carolina act does not provide for administrative supervision, nor does any organization exist for the collection of complete data on local finances.<sup>25</sup>

In the same year New Hampshire, following an investigation by the State Tax Commission, enacted a Municipal Finance Act superseding the Municipal Bond Act of 1895. This act prohibited the creation of debt for current expenses, made mandatory the use of serial bonds, forbade the issue of "demand" notes, required the immediate retirement of all such notes outstanding, imposed new debt limits on municipalities with an exterior limit to cover overlapping jurisdictions, and required the adoption of a budget system by towns. The State Tax Commission was given authority to prescribe budget and accounting forms and to conduct an audit of local accounts on its own motion.<sup>26</sup>

The next state to attempt scientific treatment of the problem was Ohio. A tax limitation law of 1910 had so restricted local revenues in many places as to cause an extremely rapid increase in indebtedness, much of which was created to pay current expenses.<sup>27</sup> So serious had the situation

become in many taxing districts that action was forced at the session of the General Assembly of 1921 through the efforts of various commercial organizations of the state. The so-called Griswold Act of that year struck at the chief evils of the situation by prohibiting the incurring of indebtedness for current expenses, making mandatory the use of the serial method of redemption, limiting the term of indebtedness to the life of the improvement and imposing new debt limits. Although this act has been in operation only two years there is little doubt but its observance will go far to lead Ohio municipalities back to sound methods of finance.<sup>28</sup>

The legislation dealt with in this paper is all the product of the last ten years. Most of it has come about unheralded outside the states immediately concerned, and the student seeks for record of it in the statutes and the rather dull official reports as well as in the hardly less terrifying columns of financial journals and the proceedings of bankers conventions and similar associations. On the whole, however, it constitutes a quite respectable body of legislation and there is reason to believe that it will be of considerable influence in other states. With the growth in interdependence of state and locality, of which we have multiplying signs, it will become increasingly necessary on the part of our states to protect their own credit by seeing that the credit of their subdivisions is unimpeachable.

<sup>28</sup> 109 Ohio Laws, pp. 336-351.

<sup>25</sup> The North Carolina Act comprises *Secs. 2918-2961, Consolidated Statutes of North Carolina*.

<sup>26</sup> *Chs. 57 and 129, Laws of 1917*, as amended by *Ch. 60, Laws of 1921*.

<sup>27</sup> The experiences of Ohio municipalities under the tax limitation law are dealt with in *Clair Wilcox, Rate Limitation and the General Property Tax in Ohio*, and *Raymond C. Atkinson, The Effects of Tax Limitation upon Local Finance in Ohio*.



# CONSTITUTIONAL TAX EXEMPTION— A REVIEW

BY LAWSON PURDY

*New York City*

THE NATIONAL MUNICIPAL REVIEW has published an admirable study of "Constitutional Tax Exemption" by Edward S. Corwin, McCormick professor of jurisprudence, Princeton University.

Professor Corwin agrees with other estimators that there are between thirty and forty billions of privately held public securities in this country which are either partially or totally tax exempt. In particular, the income of these securities is exempt from the Federal Income Tax. The Ways and Means Committee of the House of Representatives has before it a brief prepared by Mr. A. W. Gregg, expert of the Treasury Department, advising the committee that Congress is without power under the 16th Amendment or otherwise to tax the income of state and municipal bonds. Professor Corwin presents a carefully reasoned argument to the effect that Congress has the power to tax the income of such bonds and advises that Congress shall exercise that power as to state and municipal bonds hereafter issued although the power extends to the taxation of the income of all such bonds now outstanding.

The essence of Professor Corwin's argument is that the Supreme Court has never regarded itself as bound by any remarks in previous decisions which were not essential to the case under determination, and he alleges that the Supreme Court has never had before it since the adoption of the 16th Amendment any case in which it was essential to the decision that the court

should pass upon the power of Congress to tax the income of state and municipal bonds.

The issue now presented never had any great importance until after the enactment of the Constitutional Amendment No. 16 which provides that "Congress shall have power to lay and collect taxes on incomes from whatever source derived without apportionment among the several states and without regard to any census or enumeration."

The usual system of taxation by the several states was the imposition of an ad valorem tax on the capital value of all property including evidences of debt. The usual practice by the several states was to permit the taxation locally of bonds issued by or under the authority of other states. An attempt was made to tax bonds of the United States and the Supreme Court held, in effect, that such a tax impaired the sovereignty of the United States and was impliedly contrary to the Constitution of the United States although there was no express prohibition contained in the Constitution.

Professor Corwin points out that an ad valorem tax so low as 1 per cent on a bond bearing 4 per cent interest was the equivalent of an income tax of 25 per cent. As local tax rates often exceed 2 per cent a local tax might exceed an income tax of 50 per cent. Such income tax rates were undreamed of prior to the Great War. Later the Supreme Court held that under the Income Tax Law enacted during the Civil War it was beyond the power of Congress to tax the income of state

bonds. When Congress enacted an income tax thirty years ago the Supreme Court held that a tax on income from real or personal property is a "direct tax" within the meaning of the Constitution, which prohibits the levying of direct taxes by Congress unless such direct taxes are apportioned to the several states in proportion to population. In that case Professor Corwin holds that it was not essential for the court to go further and declare that it was incompetent for Congress to tax the income of state bonds; and he points out that the decisions of the court in which the court has gone out of its way to make statements about the power of Congress to tax the income of state and municipal bonds have gradually built up a theory in the mind of the court and in the minds of others that there is an implied prohibition in the Constitution against any taxation by the United States of the income of state and municipal bonds, but that the Supreme Court has not settled this question by any clear decision on the precise point now at issue.

Then Professor Corwin says we had presented by Congress to the several states an amendment to the Constitution in which the words of importance to the ordinary reader were these: "The Congress shall have power to lay and collect taxes on incomes *from whatever source derived*" and he says to the ordinary man those words mean what they say and not something less than they say. How words could be chosen to make more inclusive the power of Congress to tax income from all possible sources than do these words would be very hard to understand. He points out further that they mean what they meant to Mr. Hughes, then governor of New York, who said in his message to the Legislature, "The comprehensive words, 'from whatever

source derived,' taken in their natural sense would include not only incomes from real and personal property but also incomes derived from state and municipal securities."

He quotes further to show that other governors in presenting the amendment for ratification to their legislatures entertained the same opinion as did Governor Hughes. Governor Gilchrist of Florida said, "Congress could therefore tax income from state and municipal bonds." Governor Hadley of Massachusetts said, "It impresses me as a narrow or technical objection to oppose this amendment for the reason that it does not provide for an exemption of that portion of one's income derived from state and municipal bonds." Governor Burke of North Dakota said, "The income tax amendment to the Constitution is broad enough to include a tax from incomes derived from the ownership of state and municipal bonds."

While Mr. Hughes was governor of New York the Legislature of New York did not ratify the amendment. His successor, Governor Dix, said in his message to the Legislature of New York that "if the words 'from whatever source derived' would leave the amendment ambiguous as to its power to tax incomes from officials' salaries and from bonds of states and municipalities the amendment ought to be opposed by whoever adheres to the Democratic maxim of the equality of laws." He advised ratification because he agreed with Governor Hughes as to the meaning of the words, "from whatever source derived", and he disagreed with him as to the wisdom of conferring so broad a power upon Congress.

Professor Corwin makes it clear that the legislatures of the states generally, and the people believed that the 16th Amendment would do what the words

mean in their ordinary sense, give Congress power to tax all incomes no matter by whom received or from what source derived.

When this amendment was under consideration probably very few persons entertained for a moment the thought that an income tax might be necessary to raise such an enormous sum as was made necessary by the war; and in consequence few persons dreamed of surtaxes running above 50 per cent. So long as all recipients of income pay the same rate, whether such bonds shall be exempt or taxed, is of minor consequence because all such bonds will sell on a lower interest basis because of the exemption and all persons will be treated alike. It would be a mode of, in effect, collecting taxes from every person who bought a tax-exempt bond because he would pay a higher price for the bond at a given rate of interest or would lend his money at a lower rate of interest on account of the exemption. When, however, the tax is graduated a totally different state of things results. To the man who pays an income tax of 6 per cent the exemption amounts to little and would have correspondingly little effect upon the price of the bond; but to those who pay an income tax of 20 per cent to 60 per cent the exemption is vital, of immense importance, with the result that a small class of persons are put by the law under a compelling necessity to invest a large part of their capital in such exempt securities thereby enhancing the price of the bonds and decreasing the interest return to the ordinary investor. This

is a gross injustice to the ordinary person who wishes to secure a safe return of income and at the same time is actuated by the patriotic purpose of lending money to his city, to his state, or to the nation. The effect is concealed from him. He does not realize that the interest return is abnormally reduced to him because a heavy tax is imposed on someone else.

Again Professor Corwin shows how to some extent states and municipalities are encouraged to borrow money instead of paying out of current income because they can borrow at extraordinarily low interest; and, still worse, the government forces the building up of a favored class upon whom it makes a motion as though it would impose a tax at a very high rate upon their incomes because their incomes are large, when in fact it does not impose any such tax because it offers them an exempt investment.

It is hard to understand why at the end of his admirable review of the law Professor Corwin suggests that Congress will limit the tax to future issues of public securities, state and municipal. He presents no argument to show that anyone ever bought a state bond or a city bond under any contract express or implied that there should be no United States tax upon the income of such bond. As a matter of fact, the buyer of a New York bond knew that if he lived in Ohio he would be called upon to pay an ad valorem tax equal to more than a 25 per cent income tax; and the same would be true if he lived in almost any one of the forty-seven states other than New York.



# OUR LEGISLATIVE MILLS

## VIII. A CONTRAST: THE SINGLE HOUSE LEGISLATURE OF ONTARIO

BY GEORGE M. WRONG

*University of Toronto*

WHILE social conditions in the Canadian Province of Ontario are very like those of an American state lying on the other side of the frontier, the political machinery of the two countries furnishes sharp contrasts. Canada, like all other self-governing parts of the British Empire, has adopted parliamentary government, which means chiefly that the executive is controlled by the legislative power and may be changed at any time at the will of this power. We all learn to value a system under which we live and which, though it may creak and strain, actually works. It is hard for an American to picture a political society in which the leader in a post similar in authority to that of the President, or of a governor of a state, may be turned out of office at any time by an adverse vote in the legislature. Yet this is what happens in Canada. On the other hand, Canadians can hardly realize how a system can work under which the executive head of the government has against him the majority of the representatives in the legislature. Both methods work reasonably well, and the wise man will try to get from one of them as much good as he can which will fit in with the other.

Ontario has a population of about three million people, chiefly British in origin, and in this respect is more homogeneous than most states of the American union. It has grown slowly, so that newcomers have had room and time enough to assimilate without

haste what was unfamiliar in their surroundings. Toronto, the capital, with more than half a million people, indicates what is the case, that industrialism is throwing a large, perhaps a too large, part of the population into the cities. When Charles Dickens visited the legislature of Nova Scotia he said that it was like seeing the British Parliament through the wrong end of a telescope. So, at Toronto, one sees, with differences of course, a legislature which preserves the traditions of the mother of Parliaments. The Speaker is an officer who, in the discharge of his duties, knows no party. He is robed as the Speaker in London is robed. Unless otherwise specifically provided, the rules of order are those of the British House. Legislation is enacted in the name of George V. The Lieutenant-Governor, the representative of the king, who appears at the opening of a session of the legislature, is received with military pomp and reads a "speech from the throne." Like the king, he lives in a palace provided by the state, and he can act only through ministers who represent the people.

The real ruler is the Prime Minister, supported by a majority in the legislature. He lives as a private citizen, has no official residence, keeps up no pomp of office, but none the less rules much more completely than the governor of an American state; for, while he is in office, he dominates both the executive and the legislative power. No one can be appointed to office, no law can be

passed, no money can be voted without his approval. Yet, in the characteristic British way, the constitution barely knows that there is such a person as the Prime Minister. In name all official acts are done by the Lieutenant-Governor who, as a rule, merely signs what he is asked to sign. In an emergency he has some power, for, when one government is defeated, he has some discretion as to the person upon whom he will call to form a new ministry. Here again, however, he is held in check, for such a ministry cannot go on if not supported by a majority in the legislature.

Enough, however, of forms. What is important is to see the system in operation and to judge of its working. In Canada there are nine provinces, each with its own legislature, and each sending its quota to the federal parliament at Ottawa. This has two chambers, the House of Commons and the Senate. In the two provinces of Quebec and Nova Scotia, there are also second chambers, but the other seven Canadian provinces have a single chamber. In Ontario the members are elected for a maximum period of four years, but, if conditions seem to require it, the legislators may be dismissed, and an appeal may be made to the people, at any time. In the United States one can tell the exact day during many years to come on which an election will take place, but in Ontario there may be two elections in a single year. An election means an integral dissolution of the whole legislative body. There is no second chamber in which one half, or only one third, of the members are chosen at any one time. The appeal to the will of the people at the moment is clear-cut and complete. The newly chosen body exercises at once full authority, with nothing holding over from its predecessor. The term of four years gives it a prospect of

endurance long enough to carry out a policy.

The legislature has, within its prescribed limits, untrammelled power. In the United States changes in the various constitutions are made under carefully guarded provisions. In Ontario a change in the constitution is made in exactly the same way that a law providing for roads or drainage is made. A simple act of the existing legislature could set up a second chamber. The legislature could reduce the number of its members by one half, alter the conditions of the franchise, and so on. There are no constitutional prohibitions. The legislature in Ontario can confiscate property without compensation, or set up a Church Establishment. It cannot, like an American state legislature, alter the criminal law, for that is under federal control. It cannot legislate regarding divorce, for that too is a federal matter. But it is not forbidden to do anything that may be within its powers. This feature, combined with the control by a single chamber, may seem to involve insecurity in relation, for instance, to property. But here operates another condition. The federal government has the power to disallow a provincial act. It is still in dispute in Canada whether the federal power should disallow any act, no matter what its tenure, which lay within the constitutional power of the legislature. Let the people of a province, it is said, turn out a government which passes bad laws and repeal these laws. Others think, however, that a conspicuously bad measure, infringing, for instance, on the rights of property, should be disallowed. In the past, numerous provincial acts have been disallowed. There is this safeguard, but the real check on unwisdom is in the quality of the electorate. The vast majority of the electors in Ontario are owners of property. In

Toronto more than sixty per cent of the people own the houses in which they live. The true safeguard is in the character and interests of the people. Ontario has not yet even thought of imposing any formal prohibitions on the legislature.

We thus have a single chamber, governing with that full sense of its own power which begets also a sense of responsibility. There is no provision for closure in debate, and none for limiting the length of a session. Experience has shown that the tendency to have two and only two parties is strong. Ontario has just dismissed a Farmers' Government which represented a third party, as against the historic Conservatives and Liberals, and the drift is now definitely to the unity of Farmers and Liberals in one party, against the Conservatives, who are in power. It is probable that in England there will be a similar drift towards union between Labor and the Liberals. When an executive government depends on the continuous support of a majority in the House, stability seems to require that this majority shall have a single party organization. While continental Europe does not as yet illustrate this truth, British experience does, and in Ontario, at least, there are likely to be only two parties. This avoids the forming of a "bloc," and the compromises involved in holding together diverse elements in support of a cabinet.

Ontario has not yet developed that distrust of legislatures found in the United States. There is a reason. The organization of political parties in Ontario hinges on a definite and permanent leader of each party. This leader, whether in or out of office, shapes the policy of his party, and he knows that if he comes into office he will have himself to take the responsibility of carrying it out. In the background is no private person, dom-

inating party councils, who forces some one else to support a dictated policy. Political leadership is public and avowed. The leader of the party in opposition is as well known as the leader of the government, and when he wins an election every one knows what he stands for. The "boss" is eliminated; the system makes him impossible; the party leader is his own "boss." In Ontario there can be no sudden raids on the Treasury. Under the existing system no proposal to spend money can be received from any quarter than that of the government of the day. The last days of a session see no private members proposing new expenditure. The Budget system, now so much debated in the United States, is in full operation. If a prime minister decides to spend he must also tell how he is going to secure the needed money, and he must face a well-organized opposition to justify the outlay.

No legislature rises above the level of the community which it represents. In Ontario the members are only average men, with an outlook inevitably limited, and the legislature expresses this quality. This may be said, if debates are drab, they are practical. The legislators are not chiefly men from cities, passing laws for farmers and rural communities, but real representatives of the various types in Ontario. The standard of personal integrity is high. There is no law against lobbying, and enough of it takes place, but it is a legitimate mode of bringing a subject home to men, and the system is held in check by other considerations. The executive and the legislative power work together. In a state legislature nothing much happens if a measure supported by the executive is defeated. But, in Ontario, if a bill thus supported is defeated, the existing government goes out of power and the rival party takes office. Thus it is a serious thing



for a supporter of the party in power to vote against it. If his leader opposes a measure, no lobbyist is likely to persuade him to help to turn his party out of office, unless his view is backed by a strong public opinion.

In Ontario, Committees play, of course, an important part in the work of government. A special committee may be appointed to deal with any measure, but there are standing committees, most of them large, which overhaul pretty thoroughly all public business. In 1923, in a House of 111 members, these were the Committees:

Standing Orders.....	48	members
Private Bills.....	87	"
Municipal Law.....	83	"
Railways.....	72	"
Agriculture and Colonization....	58	"
Public Accounts.....	61	"
Privileges and Elections.....	41	"
Fish and Game.....	48	"
Legal Bills.....	20	"
Printing.....	15	"
Labor.....	24	"

The Committees sit in public and of each the quorum is nine. The government majority on the Committees has to meet the criticism of the opposition, and sometimes there are lively scenes. On an important measure many of the public are often present. All Committees report to the House. In the House itself no bill may be introduced which has not first been approved as to

its form by the Law Clerk, so that, as far as possible, vagueness and confused statement are avoided. Every bill is considered, clause by clause, in Committees of the whole House, with a chairman who is not the Speaker, and in this Committee members may speak as often as they please on a bill, while in the House they may speak only once. These provisions are, of course, common to most legislatures, and are only mentioned here to show that Ontario follows standard traditions.

Summing up, one may say that no one proposes radical changes in the system. It is good enough. What is defective is the limitations of those who work it, common to all human effort. There is no demand for a second chamber, nor for the less frequent meetings of the legislature, nor for any limitations of its powers. It would probably be wise to reduce the number of members by one half, or at least one third. Fifty or sixty men could do the work as effectively as twice this number. If change comes it will probably be in this direction. At one time Ontario boasted that it had no debt. Now it has built and is building at great expense highways much needed. It has created a costly system of electric power at Niagara Falls and elsewhere, and it requires many million dollars a year for interest alone. But it receives an income on this latter outlay, and its credit stands high.

# THE COMING OF THE TRAFFIC TOWER

BY C. E. JOHNSON

Chicago

*The lack of control in traffic in many cities due to the enormous increase in the number of vehicles that the streets must accommodate makes it seem as though traffic were running wild.*      ::      ::      ::      ::

You remember, years and years ago, —let's say back before 1910,—how roomy all of the streets seemed to be. Everybody, it seemed, had a horse and buggy at that time. To-day almost everyone has an automobile and these same streets are crowded. Sometimes you feel that it isn't a pleasure to drive. The man who has a truck that must pass through this traffic each day often wonders how it is that not more people are injured.

Think, if you can, of an increase in the number of automobiles each year of over one million cars. This is the average annual increase during the last ten years, and conditions seem to indicate that there will be a further increase of approximately 13 per cent during the years to come.

With this increase in traffic in your city, what is going to happen?

## TRAFFIC SIGNAL TOWERS

Undoubtedly, as many cities have already done, yours will study means of regulating this traffic now and for the future. A method that has been experimented with for several years is what is termed a "traffic signal tower." These are generally built up in the center of the street to a height of approximately 22 feet, with a small coop or compartment for the patrolman. A bright, concentrated colored light is used as a means of signaling traffic and, when the proper reflectors and colored lenses are mounted according to the

suggestions of lighting experts on this phase of traffic signaling, they can be seen for a half a mile during the day and at even greater distances at night.

In Chicago, Baltimore and Detroit uniform signal lighting has been adopted as follows:

"Red"—to indicate Stop.

"Amber"—to indicate Change of Traffic.

"Green"—to indicate Go.

The colors in New York City for traffic signal lighting are:

"Red"—to indicate Stop.

"Amber"—to indicate Go—north and south.

"Green"—to indicate Go—east and west.

These signals are controlled either automatically by a flasher or by an individual switch for each set of signals,—depending entirely on local conditions.

Towers like this are in use in Detroit, Baltimore, New York and other cities, and are now being experimented with in many localities. Of course where traffic is heavy day and night these traffic signal towers have been found to work out exceptionally well.

Many cities and towns have a much heavier traffic at night than during the day, on account of their location. In other words, they are possibly on a main road of travel which is very heavy with tourists returning from excursions, etc., at night.

## SPOT-LIGHTS FOR THE COPS

Camden, N. J., probably has the record for handling traffic of this nature at night and Mr. J. W. Kelly, chief of the electrical bureau of Camden, feels that it is because their traffic officers are "spot-lighted" at night,—so that they are visible at a distance of over 1,500 feet. Mr. Kelly is responsible for the development of spot-light traffic lighting in Camden and has been of a considerable help to other cities in their problems in traffic lighting.

The method used is the suspension of an X-Ray projector unit suspended 22 feet above the street on a guy wire, or mounted on a street post by means of a goose-neck. By using a standard 200-watt (P. S. 30-bulb lamp) a bright spot of light 6 feet in diameter is reflected on the traffic officer and his signal standard, so that both are clearly visible. On rainy nights the spot-light used in the same way throws a very bright light on the umbrella that protects the patrolman from the rain and is equally effective.

Camden, as you may recall, is just across the river from Philadelphia. Traffic between these cities is always heavy, averaging from 12,000 to 15,000 automobiles on Sundays and holidays. Mr. Kelly, who is recognized as an authority on municipal electrical problems, says, "The Camden traffic officers are the best lighted in the world. Every night this is demonstrated. It is even more effective on Sundays and holiday evenings, when approximately 6,000 drivers try to crowd through the streets in about one-half hour on their way home from their week-end outing."

The type of traffic control that should be adopted by each city depends entirely on conditions. Signal tower or spot-light units might first be tried out in an experimental way, as Detroit did a few years ago. Their original tower was placed on one of the busiest

crossings with three powerful reflector units, with the standardized color signals on each side. This has proven so satisfactory that twelve additional towers have been built in various parts of the city.

## SIGNALS VISIBLE BY DAY

One very important item to bear in mind in connection with the signal towers is that they are used day and night. The reflector equipment and color lenses must be of a nature to give a very concentrated bunch of light that will be visible at a great distance. The lenses must withstand the heat of the lamp and the elements. Towers are generally constructed to a height of approximately 20 feet, with a firm, concrete base, which reaches up to a height of about two to three feet. The reflector units and lenses are mounted flush with the surface of the tower or on the top of it. Control of the light can be automatic, with the interval between red and green approximately two minutes, or controlled by the patrolman and a hand switch.

For emergency, to stop all the traffic, a master switch, which flashes on all of the red lights to stop, should be arranged for and a horn to signal all traffic in case of emergency.

You can learn from your state or city registration records of the increase of traffic you have seen in the past several years. If it measures even up to 8 per cent it is going to mean serious consideration must be given to traffic control problems. Can you estimate what the traffic will be in 1925, or even four years hence? To be sure, it is difficult, but this is certain: proper regulation of traffic not only reduces the number of accidents and collisions, but the fire hazard that results from congestion. These three very important items now merit the consideration of properly directing traffic in every city.



## RECENT BOOKS REVIEWED

### MUNICIPAL GOVERNMENT AND ADMINISTRATION.

By William Bennett Munro. New York: The Macmillan Company, 1923, 2 vols.

This two-volume work supplants Professor Munro's earlier books: "Government of American Cities" published in 1913, and "Principles and Methods of Municipal Administration" published in 1916. Supplementing one another, the new volumes are designed as text books in two distinct fields of municipal government,—the first dealing with history and organization, and the second with activities and methods.

The first volume covers subjects upon which much material has been written, but does it so thoroughly in Professor Munro's pleasant and lucid style, that it will no doubt continue a popular text. The new volume is entirely rewritten and rearranged and contains many additional chapters. The evolution of the city through the beginnings of early urban life to its present complexities is discussed, followed by a series of chapters dealing with the legal foundation of city government, the people's share in government as expressed by nominations, elections, parties, politicians, etc., and concludes with a treatment of the types of city government popular in America to-day.

The second volume dealing with municipal activities and methods promises to enjoy the same popularity accorded its predecessor. The earlier book pioneered in the subject of municipal administration, which is only beginning to receive the attention it deserves, and assisted materially in the rapid development of this field. By stimulating progress it made its own comments obsolete and its original shortcomings more glaring. The new volume covers the field in a far more satisfactory way. The chapters are double in number, and cover the outstanding activities of city government under the larger headings of administration, mechanism, city planning and public works, public safety, health and social welfare, utilities and finance. The character of the activities is described and compared with similar activities abroad, and the method of their administration discussed within reasonable limitations. The author has not dealt in any detail with this last question, largely contenting himself with a description of activities and a statement of the administrative problems

involved, thus emphasizing again the desirability of agreeing upon a definition of municipal administration and delimiting its field. Certain activities such as selection of personnel by election and merit, collection and removal of public wastes, public works construction, and financial procedure, for example, are either dealt with summarily or omitted entirely.

A person of training and profession different from that of Professor Munro might have emphasized the importance of other activities, eliminated the comparative comment and enlarged on the details of administrative methods. In so doing, he would probably have written a summary treatise for technicians, and not a text book for undergraduates.

LENT D. UPSON.



THE EFFECTS OF TAX LIMITATION UPON LOCAL FINANCE IN OHIO, 1911-1922. By Raymond C. Atkinson. Published by the Author, Cleveland, 1923.

Dr. Atkinson's book is the most exhaustive and convincing study that has appeared on the subject of local tax limitations. While the volume deals primarily with the situation in Ohio, it contains a large amount of material drawn from other states in the Union. In fact one of the very useful features of the book is its survey of tax limit legislation in the United States and the table which appears in the appendix presenting a digest of the constitutional and statutory tax limit provisions.

Dr. Atkinson's discussion is primarily historical, beginning with the movement leading up to and following the notorious Smith one per cent law. He reaches the following conclusions:

1. Tax limitation in Ohio has proved a failure on one important point which was ardently advanced in its support by its advocates: it did not result in a complete listing and a full value assessment of personal property under the general property tax as had been hoped.

2. It did, however, succeed materially in retarding the increase of taxes, whether measured by per capita levies or by tax rates; but this object was achieved less by an actual curtailment of current expenditures than by the issue of bonds and notes.

3. Schools were less hampered by the restrictions imposed by the law than were other municipal services. Both in per capita costs and in

per pupil costs of education, the cities of Ohio maintained about the same relative rank among those of the rest of the country as that which they had held before the enactment of the law.

4. Naturally, this made the municipalities the chief sufferers under the law, and compelled them to finance a portion of their indispensable current expenditures not alone by bond issues but also by raids on the sinking funds—raids conducted by the simple expedient of withholding appropriations which should have been made to them or else by actual withdrawals from previous accumulations under the guise of payments for court judgments.

5. Tax limitation has not encouraged efficiency in governmental services, but has tended rather to curtail such services and to encourage shiftless methods.

These conclusions with a single exception are based on elaborate statistical material covering every phase of municipal and school finance in the state of Ohio. The exception is the last point, and here it must be remembered that Dr. Atkinson is not the first person who has failed in the effort to measure the comparative efficiency of city governments or to judge the comparative services rendered in various communities.

Is the ten-year span covered by this volume a long enough period for a study of the effects of tax limitation? Certainly it is long enough to indicate some things pretty clearly. But on one point at least more time is needed. This is Dr. Atkinson's second conclusion that tax limitation has served to "check the increase of tax revenues" and to "limit the burden of taxation" (pp. 115, 116). If Ohio should abandon the Smith law and tax limitation as has already been done partially, Ohio tax rates might climb in a few years to an equality with non-Ohio rates. Since service has been curtailed and a \$50,000,000 burden passed on (p. 119) rapidly increasing rates would not be surprising. In fact the experience of Massachusetts and New York state may be cited as showing that tax limits do not limit in the long run.

If there are any weaknesses in this book, they are due rather to the narrowness of the point of view than to the method and thoroughness with which the author has pursued his work. Is there any state in the Union which has a tax system so poorly adapted to its economic conditions as Ohio? And is there any large industrial state which enforces its tax law as inefficiently? Even if there be states that rival Ohio in these respects, the situation is so serious that it is difficult to take one phase of the problem, such as tax limitation in local finance, and attribute to this a predominant causal effect upon the course of municipal finance and administration. Dr. Atkinson has been extremely careful of this point and repeatedly states that there have been other factors at work, but even so one is inclined to feel that the desperate character of the Ohio situation is due to the state tax system and to debauched administration to a greater degree than a reader might conclude after reading Dr. Atkinson's discussion.

It is disappointing to find that the author has made no use of modern statistical devices for computing relationships between various series of facts. Many of his tables would lend themselves excellently to the computation of correlations. Those who study government seem to be rather slow in utilizing recognized statistical measures of comparison. One would also be inclined to commend to Dr. Atkinson's attention the brief but suggestive report of the committee on standards of graphic presentation. The charts in this book serve to enhance the value of the tables, but they could have been improved if they had been made to conform more closely to accepted standards.

Dr. Atkinson is thoroughly scientific and dispassionate in his presentation of the Ohio problem. His style is clear and his material is brought to a focus. As a result this book is a real case book in public finance.

LUTHER GULICK.

# ITEMS ON MUNICIPAL ENGINEERING

EDITED BY WILLIAM A. BASSETT

**Financing Extensions to Water Supply Systems.**—Sound financial policy in the matter of making extensions to water supply systems is essential to the economical administration of these systems, and yet it is only comparatively recently that serious attention has been given by water supply officials to the basic requirements of such policy. This applies particularly to municipally owned water works where equity demands that the burden entailed by extensions into undeveloped new territory shall not be borne by consumers located in old territory. The two common methods of financing water supply extensions which afford a means of guarding against injustice to existing consumers are the assessment method and the guarantee-revenue method. Experience has demonstrated that the former is the more equitable one to apply in financing extensions to municipally owned plants. Helpful suggestions concerning the primary considerations to be met in formulating a sound policy to govern these matters are contained in a paper presented by Caleb Mills Saville, manager and chief engineer, Water Works, Hartford, Conn., before the last convention of the American Water Works Association. Mr. Saville's comments on this subject are substantially as follows:

Financing extensions from the tax levy has little or no sound basis, unless it be done in lieu of taxation to meet the cost of fire protection furnished by the city without charge. Even then public utility decisions are against such scrambling of accounts, and generally unite in holding that a water department should receive cash for what it supplies to the city and in return should pay cash for what the city supplies to it.

The word extension is taken to mean the installation of a water pipe of size sufficient to provide proper domestic and fire protection service for the immediate locality, with the water department assuming all cost in excess of the above which is necessitated for the good of the service.

The guarantee method is proper if the payment in rates or otherwise received from the extension is sufficiently large to cover not only the proper portion of all maintenance and operating charges of the water department service but also to pay interest and depreciation on the extension. It is not proper if the guarantee is so small that either water is given away or the burden of the

investment is carried by the consumers as a whole.

In some municipal instances the water rates would never meet the conditions named as proper, but the administration goes serenely on, and when the income of the department becomes too small to meet expenses, rates are raised. The best and surest remedy for this condition is governmental regulation of municipally-owned utilities as well as of those under private operation.

With a privately operated utility it seems proper to use the guarantee method, as the profit in the water rates should be sufficient to finance the extension after full development of the locality. With a publicly-operated utility run substantially at cost there appears to be no argument for the use of this method unless it be for an amount in addition to water rates and sufficient to pay interest and amortize principal in a given term of years. This solution logically leads to the assessment method of financing water main extensions.

Some other objections to the guarantee method for use in municipally operated plants are: (1) Difficulty in getting all abutters in a street to be participants in the guarantee; (2) increased return in property valuation to all abutters on the extension at the expense of those who are uniting to undertake the burden; (3) the fact that through over-enthusiasm as to development it may be many years before a return is available sufficient to extinguish the guarantee; and (4) such a combination of conditions that the property may never return an income from water sufficient to meet the guarantee on the cost of the extension, even excluding cost of water supplied.

In the application of the method of special assessment the following conditions should be observed as equitable and reasonable:

1. The water department should determine whether the extension is required by public convenience and necessity and when so decided should establish a definite means for assessment based upon the average cost of laying a water main of proper size to supply both domestic and fire protection service to the street in question.

2. The water department (for the municipality) should pay that proportion of the cost which is for general benefit, usually from one-fourth to two-thirds the cost of the extension.

3. Two methods seem applicable for payment of the assessment: (a) A frontage tax against all abutting property which may be served by the extension; (b) an "entrance fee" for the privilege of connecting with the water main, based on lot frontage.

4. The assessment should be payable in a lump sum or in installments during a fixed term of years.



**Need for Fire Escapes on All Apartment Buildings.**—The need for the enforcement of rigid requirements in respect to providing fire escapes on all buildings used as apartments or tenements was forcibly demonstrated once more in the destruction by fire of a building of this character, together with the loss of six lives, which took place on October 15, 1923, at Bath Beach, New York City. Lawson Purdy, chairman Tenement-House Committee of the Charity Organization Society of New York, comments on this disaster in a letter to the *New York World* as follows:

The building in question, a frame building without fire escapes, seems to have been one of a class numbering close to six thousand in the City of New York which have been changed, under plans filed in the Bureau of Buildings, from private dwellings into apartments for three or more families, living independently of each other and doing their own cooking on the premises. Such buildings generally become illegal tenement houses. They are altered under plans which declare that the families will not do their cooking on the premises and that the buildings are not tenement houses. Not being tenement houses, there is no authority in any city department to require them to provide fire escapes or to safeguard the occupants against the imminent danger, always existing in such houses, of fatal fires.

The Tenement-House Committee of the Charity Organization Society in May, 1922, called the attention of the Board of Aldermen to this dangerous condition, and suggested the passage of an ordinance which would empower the superintendents of buildings to require that all such buildings have adequate means of egress in case of fire. This matter is still on the calendar of the committee on buildings of the Board of Aldermen, no action having been taken upon it. If it could be adopted by the board it would present the quickest and readiest way of dealing with the situation that we have described above. The Tenement-House Department might deal with such cases if it were given sufficient force to do so. For years past it has been unable to deal with border-line cases.

Although accurate data are not available on the extent to which conditions which produced the Bath Beach tragedy exist in New York City, it is fair to state that not less than 20,000 families are subject to this serious hazard. A situation similar in character to that existing in New York City undoubtedly obtains in every other large city and many of the smaller cities throughout the country. Courageous and prompt action in the matter of controlling alteration in residences for the purpose of converting these into apartments and also regulating building occupancy will go far towards reducing the very

serious hazard which now exists. The accomplishment of the latter should demand the serious attention of the public as well as that of the governmental officials.

\*

**Comprehensive Plan for Handling Municipal Waste, Paris, France.**—Collection and disposal by contract of all classes of municipal refuse, intensive reclamation of salvageable materials from the waste products, and the extensive development of power as a by-product of the disposal process are features of the system of refuse collection and disposal operating in the city of Paris, France. The essentials of the system are outlined in the *Engineering News-Record* of November 22, 1923, together with editorial comment thereon as follows:

The mixed refuse is collected by hundreds of motor trucks, owned by private companies and driven by chauffeurs provided by the company but directed and loaded by the city. These trucks deliver the refuse to four disposal plants where, by means of sorting, screening and grinding, all the material of commercial value is reclaimed for utilization. The residue goes to furnaces which yield still further by-products—heat, which is converted into steam and thence into electric current, and clinker, which is made into brick. The city seems to exercise such a complete control of refuse collection as will enable it to insure good service, while the disposal contract seems on the one hand to guarantee a fair profit to the contractor and on the other to be well designed to give the city a share in any excess over fair profit.

All the data at hand indicate that the Paris plan is worthy of careful study by cities and by engineers concerned with garbage and refuse disposal, in whatever country located. By this we do not mean to advocate mixed as against separate collection and disposal of city wastes, nor sorting, screening, and incineration against any other method of final disposal, nor, least of all, do we mean to advocate private rather than public agencies for collection and disposal of municipal refuse. What we do urge is the same careful attention by other municipalities as seems to have been given by Paris to working out a system of refuse collection and disposal adapted to local conditions, which, if private agencies are employed will protect them against undue risk, while at the same time giving the city some share in the profits, if any, from utilizing municipal wastes, all to the end that the net combined cost of refuse collection and disposal, which is bound to be considerable in any case, may be cut to the lowest figure compatible with good service.

Paris affords a notable example of the change in the incineration of mixed refuse that has been going on abroad of late—in part led by Paris. In

that city, and in a rapidly growing number of British towns, the entire collection of mixed refuse does not go to the incinerator. Instead all material of commercial value is salvaged; paper, etc., for sale, garbage and fine ash to go to land for its fertilizer value and for the physical improvement of the soil. In particular, it is to be noted that by eliminating ashes and as much as may be of other incombustible waste, the calorific value, pound for pound, of what goes to the furnaces is greatly increased, while the furnace output, for rehandling and final disposal, is not only much decreased, but what does remain is almost wholly a clinker—useful abroad, whether or not it would be in America, for making brick or concrete. It should be noted also that all this applies to mixed refuse only, and not to furnaces for burning garbage alone or garbage mixed chiefly with paper, tin cans, bottles and the like, as is the case in so many American municipalities that have attempted incineration.

In conclusion, it is well to remember that although a considerable number of American cities have installed equipment to utilize the heat generated by burning city refuse, but rarely has any of the heat generated been used except at the disposal plant, if even there. Under existing conditions, there seems, if anything, less chance of heat utilization in this country than there has been in the past. This makes all the more interesting and important the results that may be achieved at Paris when the enlarged plant and new scheme are in complete operation. It is hoped that careful records will be kept and will be made available.

It is interesting to note that the apparently satisfactory manner in which waste collection and disposal are handled by contract in Paris runs directly counter to the experience in these matters of large cities in the United States. That is to say, it has been found more economical and more satisfactory in respect to collection service in the latter cities to have the work done by municipal forces rather than by contract. It is true that the city of Boston, Mass., at present is considering a plan under which both the collection and disposal of refuse is to be done by contract. If the latter experiment proves successful and the experience of Paris may be of substantial value to the city of Boston in overcoming past obstacles to securing satisfactory handling of this work by contract, this accomplishment will be of real value to other cities which are wrestling with the vexatious problem of refuse collection and disposal.



**Standard Specification for Structural Steel.**—A standard specification for structural steel that can be incorporated in the building code requirements of any community with the assur-

ance that it will not alone provide for safety in construction but enable effecting substantial economies in the cost of building has recently been gotten out by the American Institute of Steel Construction of Cleveland. The primary purpose of this specification, which is the work of a committee comprising certain of the most prominent authorities on structural design in this country, is to bring about uniform practice in the structural steel industry by the adoption of a rational basis of design. This is obviously the correct method of approaching the problem rather than by first attempting to standardize building code requirements. The theory of structural steel design outlined by the committee in the specification represents a most valuable contribution to that subject. The professional standing of the members of the committee is sufficient guarantee of the soundness of the system proposed. Its authoritative character together with the somewhat radical departure from accepted methods which its rational basis involves should exercise a marked influence over methods of teaching steel design as well as the drafting of building code requirements.

It is not generally known that the standards governing structural steel design at present have no rational basis but are largely the outgrowth of more or less arbitrary assumptions concerning the behavior of steel under stress adopted to govern the use of Bessemer steel which appeared on the market about 1885. It was at this time that the unit stress of 16,000 pounds per square inch came into use and immediately after the various cities throughout the country began incorporating in their building codes requirements based on information published in the different mill handbooks. With the introduction of the open hearth process for making steel it was possible to produce steel of more uniform quality than Bessemer steel and hence safer for building purposes. Although the quality of the steel has improved there has been practically no change in the design standards employed for the past thirty-five years. Naturally the dominating consideration in design requirements is the permissible unit stress of the material concerned. The committee selected 18,000 pounds per square inch as the basic unit stress for steel in the specification in question. An idea of the economic advantage that can be obtained from the universal adoption of this specification is manifest when it is considered that the increase in permissible unit stress 16,000 to 18,000 pounds per

square inch means a reduction of approximately twelve and one-half per cent in the material required to meet any particular set of design conditions. The steel frame in a modern building represents from 15 to 20 per cent of the entire cost of the structure. Hence any reduction in the amount of steel required represents a saving. It is stated that the architect of the Board of Education of Cleveland estimates that the adoption of the institute specification by that city in the matter of school building construction alone would effect an annual saving of at least \$150,000. Over the entire country the potential saving would undoubtedly amount to several millions of dollars annually. It is of course essential that there be rigid adherence to the methods of design outlined in the institute specification. The American Institute of Steel Construction and the committee that formulated this specification deserves the highest commendation for its accomplishment. The unquestioned demand for a specification of this kind is demonstrated by the number of cities that already have incorporated its requirements in their city ordinances or are considering such action. Its economic value to the public demands the widest application of the requirements and standards stipulated. The accomplishment of this end should receive the heartiest support of city officials, architects, engineers and the public.

**State Control over all Motor Vehicle Operators in New York State.**—State control over all operators of motor vehicles in New York State as a means of reducing the hazard to the public resulting from reckless driving is proposed in a bill now under consideration by the New York State Assembly. This measure, which is far more drastic than the present regulations governing motor vehicle operation and embodies the views of Governor Smith on this important matter, proposes establishing the position of state commissioner of motor vehicles to be named by the state tax commissioner and removable by the president of the commission. His powers include:

- Appointment of deputies, inspectors in every county, deputy inspectors and examiners.
- Complete regulation of the licensing of automobiles and automobile drivers.
- Determination of the capability and fitness of any applicant to drive an automobile.
- Revocation of the license of any driver who

violates the state law or the traffic ordinances of any city or other political subdivision of the state.

Among the offenses for which licenses may be revoked are:

Physical or mental unfitnes to drive.

Violation of the State law.

Three convictions of violation of local traffic ordinances.

Intoxication or proof of the use of habit-forming narcotic drugs.

Proof of conviction of a felony either before or after the issue of a license.

Conviction of recklessness in driving, which endangered human life or imperiled human safety.

Proof that the holder of the license permitted the vehicle to be used in the commission of a crime.

Under the law every sheriff, police officer or other peace officer in the state is required to carry out its provisions, and the commissioner has authority to deputize the officers of any motor club to assist in enforcing the act.

Immediately on the conviction of any person holding an automobile driver's license of any offense the court is required to transmit the record of the conviction to the State Vehicle Bureau. This is in accord with the governor's suggestion for a central record and identification bureau.

The provisions of the bill to prevent automobile thefts and the use of automobiles in the commission of crime require the recording of a deed of sale whenever a motor car changes ownership, and the presence in the car at all times of the certified certificate of transfer of title. This measure if enacted should be helpful in reducing the appalling number of people killed and injured each year as the result of motor vehicle operation. It points the way for other communities to take appropriate action in this matter.

**Unreasonable Bonding Provision Invalidates Motor Bus Ordinance.**—The importance of reasonable provisions in city ordinances is again demonstrated by Mason City, Iowa, where an unreasonable requirement for bonding motor buses invalidated an otherwise satisfactory city ordinance. According to the Bulletin of the National Tax Association for December, 1923, the ordinance in question provided for licensing,



regulating and taxing the operation of vehicles upon its streets, engaged in carrying passengers for hire over fixed routes. An annual license tax of \$300 was required for each such vehicle carrying ten or more passengers, and a bond of \$50,000 was required for each bus. The ordinance prohibited anyone operating such vehicles from taking on or discharging passengers within one block of any street car line.

Action was brought by an operator to restrain the city from enforcing the ordinance, on the grounds that it had no power to pass the ordinance, and that it was so unreasonable as to render it invalid.

The court held that under the statutes of Iowa, the city was authorized to enact an ordinance requiring one operating motor buses for hire to take out a license and to regulate its business or such part of it as was carried on within the city limits; that the use of the streets for such purpose was extraordinary, which justified the provision requiring the consent of the city.

The plaintiff contended that the ordinance was unreasonable, in that it prohibited it from operating on a street where a street car line was operated, and from taking on or discharging passengers within one block of a street car line. The court denied this contention, holding that the statute authorized this, in order to provide for the safety of the public and to avoid congestion and disorder.

The contention that the annual license tax of \$300 for each vehicle was unreasonable was also denied, the court observing that the plaintiff was exempt from the ordinary taxes upon his property, which would have amounted to more than the license fee demanded.

Finally, it was contended by the plaintiff that the ordinance was unreasonable because of the requirement that a bond of \$50,000 should be furnished for each bus, which was prohibited. The court sustained this contention, holding the provision so unreasonable as to render it invalid.

# AMERICAN CIVIC ASSOCIATION NOTES

EDITED BY HARLEAN JAMES

*Secretary*

**National Parks.**—The orderly expansion of the great National Park System of the United States is threatened by the difficulties which must be overcome to pass a bill by the Congress. For seven years bills have been pending in Congress to extend the present Sequoia National Park to include the scenic canyons of the Kings and Kern Rivers with some of the most beautiful crests in the Sierras. The bills were first introduced into the 65th Congress and in 1919, during the 66th Congress, the Phelan bill actually passed the Senate but met with opposition in the House.

Representative Barbour introduced the bill into the 67th Congress, but although it was generally conceded that a majority of the members of the House would vote favorably for the creation of the Roosevelt-Sequoia National Park a minority opposition was able to prevent the bill from coming up on the floor of the House.

Representative Barbour has again introduced the Roosevelt-Sequoia bill into the 68th Congress. In the south the boundaries include a larger area than was included in the bill which was pending in the 67th Congress, but not so large an area as the bill which was favorably reported by the House committee in the 66th Congress. Now it appears that a sudden opposition has developed to the Kings River area on the part of irrigationists who want to use the magnificent canyons of the Kings, not to store water for irrigation, for the Pine Flats project will take care of that, but for power development to reduce the cost of the irrigation development by the sale of power and to reduce the cost of the by-power needed by the farmers. Thus we are fairly facing the financial gain to a few local people against the great national use by all the people of one of the most stupendously beautiful areas in all the Sierra watershed.

The friends of the national parks will make every effort to enlarge the Sequoia National Park to include both the Kings and the Kern Canyons; but it may well be that the Kern country should be placed beyond the easy reach of commercial exploitation at this session of Congress if it can be accomplished. But this will mean that a most determined effort should be organized to secure

the Kings River country in the next Congress. There seems to be no good reason why the Kern country should be jeopardized because of the opposition to the inclusion of the Kings Canyon in the park.

It is to be hoped that the seven years of effort to preserve to the people of the United States these areas, which are of undoubted national park quality, will result in some gain. All friends of the parks may aid the cause by asking their own senators and representative to vote for the Barbour bill to enlarge the Sequoia National Park and create the Roosevelt-Sequoia National Park.

Senator Walsh of Montana has not only re-introduced into the 68th Congress his bill to dam the Yellowstone River (S. 311) and thus secure a free franchise for the use of the top of Yellowstone Lake to store water for the benefit of a few prospective settlers and a few local people; he has also introduced into the Senate a bill (S. 318) to appropriate \$10,000 for a survey of Yellowstone Lake, "with a view to determine what injury, if any, would be occasioned to the scenic features or other attractions of the park." This move is evidently taken following the suggestion of the then secretary of the interior, Albert B. Fall, in his report on the substitute Walsh bill of the 67th Congress. All those who are opposed to commercial exploitation of our national parks will aid the cause by writing to their Senators stating their views.

More than a dozen bills have been introduced into the 68th Congress to create national parks. Some of these are gift parks though in many cases the annual sum needed for improvements and upkeep would be greater than the initial value of the area. The creation of a national park is considered in some sections as an excellent means to stimulate the building of federal roads and the fostering of a valuable tourist travel. So, while we experience difficulty in setting aside areas of great natural beauty and magnificence because of the desire of local citizens to transform matchless valleys into reservoir sites for power purposes, we find many areas, manifestly not of national park standard, offered as gifts to the

Federal Government. It is obvious that such bills should be opposed.

In order to set up a measuring rod for proposed national park areas, the Council on National Parks, Forests and Wild Life (formerly the National Parks Committee) has attempted to define with great particularity the standards to which national parks should conform. Last year, too, the American Civic Association issued a Park Primer, which is still available, in the attempt to set forth short definitions distinguishing national, state and local parks of various descriptions.

In the annual report of the director of the National Park Service, recently issued, Director Mather proposes "a super-scenery survey of the entire country" . . . to be made "by a commission of nationally known men, prominent in their respective professions, and under direction of the secretary of the interior in co-operation with the various states." Such a survey in the hands of scientific and professional men would place at the disposal of the people information which could be followed when proposed measures to create national parks are introduced into Congress, for no one can doubt that such bills will increase in number. Such a report would forestall the purely local demand which would scatter national parks, regardless of qualifications, in every section of the United States.



**State Parks.**—Fortunately the state park systems stand ready in most instances to absorb areas suitable for state parks, but not qualified to enter our national park system. The development of state scenic and recreation parks during the past few years has been of great significance. The State of Michigan alone has nearly half a hundred state parks, due, in part, to gifts of generous citizens. These links between the purely local municipal parks and the greater national parks are serving to round out a balanced system of parks and parkways which will serve the different needs of the American people.

The Fourth National Conference on State Parks will this year be held at Gettysburg, Pennsylvania, on May 26, 27 and 28. Gettysburg is reached by good motor roads from all directions and it is expected that a great many delegates to the conference will make a holiday of the trip and come in their own cars. Civic

leaders who are interested in initiating or extending state parks in their own states will find much of interest and profit at the state park conference.



**Federal City Committees.**—The Boston Society of Landscape Architects held a dinner conference on January 28 to consider the needs of the Federal City. The conference passed a resolution that Congress be urged to "take action to provide for the restudy and extension of the L'Enfant plan to include all the District of Columbia and to secure the co-operation of the adjacent states in a Regional plan." The president, Mr. Loring Underwood, appointed Mr. Arthur Shurtleff chairman to form a Boston committee on the plan of the Federal City.

Mr. Henry A. Barker has taken the chairmanship and will form a similar committee in Providence, Rhode Island. At a conference arranged by Mr. Richard B. Watrous, held in the library of the Providence Chamber of Commerce on January 29, much interest was shown in the future of Washington. Mr. William E. Foster, the famous librarian of the Providence Public Library, had sent to the Chamber of Commerce for exhibit a most interesting collection of books, reports, photographs and maps on Washington. There is no reason why the Providence committee should not make itself entirely familiar with the literature of the Federal City.

Mr. Mark Skerrett has undertaken to form a Worcester (Mass.) committee and Mr. George Gardner a Springfield (Mass.) committee on the federal committee.

The Philadelphia Committee on the Plan of the Federal City, of which Mrs. Edward W. Biddle is chairman, held a conference which was attended by a hundred and fifty civic leaders in Philadelphia on February 7. Mr. M. B. Medary, who has done so much for the development of Philadelphia, now a member of the National Commission of Fine Arts, spoke on the Washington plan, and the secretary of the American Civic Association spoke of the pending bills in Congress.

The Committees on the Federal City are asked by the American Civic Association to urge the passage of the Park bill (Senate 112; House Bill 49) to create the Capital Park Commission, as the initial enterprise of the Washington Committee. A copy of the bill is printed on pages 45-46 of the preliminary report by the Washington Committee of 100 on the Federal City to the American Civic Association.



**April Conference in Washington.**—The American Civic Association will be twenty years old on June 10, 1924. Late in April, one year from the launching of the Washington Committee on the Federal City, a one day's anniversary conference will be held in the Capital of the Nation which will include a session of retrospect and prospect and a dinner conference on the Federal City with representatives from the fifty or more committees on the Federal City in attendance. In the afternoon a planning trip of the District of Columbia will provide entertainment and information for the out-of-town guests.



#### Printed Matter Available

- Report on Recommended Minimum Standards for Small Dwelling Construction**, prepared by Advisory Committee on Building Codes, Division of Building and Housing, Department of Commerce. Price 15 cents.
- New edition Standard State Zoning Enabling Act**, Division of Building and Housing, Department of Commerce. Free.
- Zoning for Iowa Cities and Towns**, published by the Iowa State College of Agriculture and Mechanic Arts. Free.
- Tourist Camps**. Published by the Iowa State College of Agriculture and Mechanic Arts. Free.
- Rural Planning—The Social Aspects**, published by the United States Department of Agriculture.
- Plea for a City Plan**, prepared for each member of a meeting in Galveston, Texas.
- How to Own Your Home**, prepared by the Division of Building and Housing, Department of Commerce. Price 5 cents.
- Billboards**, Leaflet No. 4, prepared by the Municipal League of Harrisburg, Pa.
- Railroad Crossings**, Leaflet No. 5, prepared by the Municipal League of Harrisburg, Pa. Free.
- Illumination or Advertisement**, an answer to the question, "How much light should be provided on business and residence streets?" J. Horace McFarland. Reprint from NATIONAL MUNICIPAL REVIEW. Free.
- Roadside Planting and the Care of Trees and Shrubs Along Highways**, reprinted from *Concrete Highway Magazine* by Portland Cement Association. Free.
- Better Homes in America**, guidebook for demonstration week, May 11-18, 1924, issued by Better Homes in America, an educational organization incorporated in the State of Delaware, 1923. National Headquarters, 1653 Pennsylvania Avenue, Washington, D. C. Free.
- Series of Billboard Leaflets** issued by National Committee for Restriction of Outdoor Advertising. Free.
- Preliminary Report** by the Washington Committee of 100 on the Federal City to the American Civic Association, January 3, 1924. 97 pages. Free to members of American Civic Association.
- What Everybody Should Know About Parks**, The American Civic Association's Park Primer. Single copies free. 2 cents each in quantity.

# NOTES AND EVENTS

A. E. BUCK

**Maryland's Short Ballot Commission Reports to Governor Ritchie** that it has read "Short-Ballot Principles" by Richard S. Childs together with numerous other pamphlets and articles on the same subject, and a majority of the commission has been thoroughly converted to the short-ballot principle and heartily approves of its application where needed. The commission reports, however, that there is very little need of it in Maryland, since already there are fewer elected officials than in most states. Only four state officials are elected by the people, namely, the governor, the controller, the attorney general, and the clerk of the court of appeals. The commission states that if it were preparing a constitution for the state it would provide for the clerk of the court of appeals to be appointed by the judges of that court; and it also says that there are good reasons for the appointment of the attorney general by the governor.

As to local officials, the commission says the surveyor might well be appointed by the county commissioners for the counties and by the mayor of Baltimore for the city; but the commission is of the opinion that since this officer and the clerk of the court of appeals are constitutional officers, the advantages to be derived from making these positions appointive will not justify the expense involved in submitting constitutional amendments. As to the sheriff, the clerk of the court, the register of wills, and the state's attorney, the commission says that it doesn't agree with those who contend that the candidates for these offices do not attract sufficient public attention to produce intelligent voting, nor does it believe that the people of the state want to make these officials appointive. It goes on to state that more interest is generally aroused in these positions than in some of the state-wide offices or candidates for the congress or the legislature.

With reference to Baltimore the commission says that while the city's ballot is longer than in the counties, there is usually not over thirty-two candidates to be voted for, whereas there is usually one hundred or more in some of the other cities. However, the commission is of the opinion that the ballot in Baltimore could be shortened by providing for the election of one clerk of the court instead of six.

**Home Rule Legislation in New York.**—A recent hearing on the home rule enabling act showed a substantial unanimity of opinion in favor of modifying the proposed law so as to provide checks on city officials and city legislative bodies. Friends of the home rule amendment certainly never had in mind that home rule meant giving to city officials without a referendum vote and without regulation by general state laws all the power over local government hitherto exercised by the state legislature. The object was to give each city a constitution of its own to be amended only after popular vote, and an administrative code which could be changed by the local legislature with the approval of the executive. Certainly no one laying any claim to a knowledge of the history or working of municipal government in this country would dream of allowing city officials and legislatures to change almost the entire framework of city government without some kind of a referendum or suspensive referendum. Similarly, it is difficult to see where the Home Rule Commission got the brilliant idea of allowing charter commissions to be appointed by the existing city authorities or elected by the people without any restrictions as to the manner of choice. The state constitution provides in detail for the membership of constitutional conventions. What can be done for the state can certainly be done for the cities. The idea of the Home Rule Commission in drafting its enabling act seemed to be to quote the constitutional amendment adopted last fall, pitch all the powers over local government at the city officials and to leave all the questions of conflict of jurisdiction and interpretation of the amendment for the courts to determine. The enabling act is a most disappointing piece of work. Had the Home Rule Commission got under way in July when the governor made his appointments, instead of in December after the other appointments were made, we might have had a better enabling act and some general laws to clarify the situation. As the matter stands, there is an open question as to whether it would be best to have no legislation at all during this session or to improve the enabling act. The principle of home rule is all right. The home rule amendment was as good as such an amend-



ment could be. We require a little statesmanship to make the amendment effective. We may as well recognize that a bad start has been made and begin over again. In the meantime no damage is done. In fact, a year without local legislation at Albany might be a very good thing for the state.—*From State Bulletin.*



Port Huron, Michigan, Defeated a City Manager Charter at a special election, by a vote of 2,144 to 4,394. For several years the business leaders of Port Huron have been trying to get away from the present commission plan, and after strenuous opposition, including one appeal to the state supreme court, to remove technical obstacles, the issue came to a vote. Reports indicate that the "city hall crowd" of political office-holders have become so entrenched as to be able to defeat the city manager project with arguments about "one-man power" and "invitations to extravagance." The single daily paper and the Kiwanis Club led the fight for the manager plan. The public mind for several years, too, had been upset by alleged scandals in some departments. It is said to be a case where any good enterprise would suffer defeat because of failure to consider the factor of information, without prejudice—that twilight zone of "politics." Still Michigan leads the union in the number of cities having the manager plan of government.

W. P. L.



The Virginia Commission on Simplification and Economy of State and Local Government submitted its report to the legislature in January. The report as printed contains 233 pages, yet the commission says that because of lack of time and funds it represents only a beginning of the work. The commission recommends with reference to the state government that certain partial consolidations be made immediately. It recommends that constitutional changes be made eventually so as to consolidate the state administration into 12 departments, viz.: Executive, finance, education, public welfare, public health, agriculture, corporation council, labor and industry, conservation, highways, law, and military affairs. Some of these departments are to be headed by boards.

The commission also recommends that the state immediately take steps toward self insurance against risk in fire losses, the plan to be

developed on a strictly scientific basis with definite provisions as to insurance reserve. It further recommends that the state carry its own risk with reference to workmen's compensation liability on employees in its various departments and institutions.

On taxation, the commission recommends that "a more equitable distribution of the tax burden be provided, with means for the assessment of property heretofore escaping taxation, with reduction of the tax rate, and for the collection of information showing the market value of real estate."

In its study of local government the commission gave most of its attention to the abuses of the fee system. The report shows that over fifty county officials in the state receive from the fees more than \$5,000 each per year. So the commission recommends that definite salaries be fixed by the legislature for the various county officials and that no salary exceed \$5,000, except in cities of more than 50,000 population where the city may supplement the salary from its own funds.



Chicago Voted on Four Tax and Bond Propositions at the Last General Election.—One was for an additional tax of 25 cents on each \$100 of assessed value of property to be used for school building purposes and the purchase of school sites. Another was for bonds amounting to \$2,650,000 for the construction of the proposed LaSalle bridge. The third one was for bonds amounting to \$2,000,000 for the establishment and improvement of parks and boulevards of the West Park district. The fourth one was for a Cook County Forest Preserve District Zoological Park and a tax to pay the cost of the same. All the proposals carried except the one for the zoological park. It seems that the school teachers in campaigning for the school building tax attacked the proposition for the zoological park, using such slogans as "seats for children, not for monkeys" and "seats for children, not for lions" quite effectively.



Reorganization of State Government Again Up in New York.—Governor Smith recently sent another special message to the legislature on the subject of state reorganization. The reforms advocated by Governor Smith were recommended by the Republican majority in the Constitutional Convention in 1915, and were



put into the Democratic platforms of 1920 and 1922. Despite their non-partisan character and their support by such men as Elihu Root, who spoke of them as a needed check on "invisible government," they have not yet been adopted by the legislature.

To quote directly from Governor Smith on the subject of fiscal reform: "There has been an improvement in state government in every direction except in the manner and method of appropriating public moneys. The present method may have been adequate when the state's annual bill amounted to \$9,000,000. Now that we spend annually, in round numbers, \$150,000,000, it is utterly inadequate. The executive budget is our insurance policy against constant increases, and, with the other reconstruction proposals, our sole guarantee of efficiency in state government. It is high time to stem the rising tide of demand on the taxpayer."



The Detroit Bureau of Governmental Research has issued an interesting and instructive pamphlet on "The Debt of the City of Detroit." The bureau sets forth the present condition of the city debt and outlines the problems that are facing the city in this regard in the near future.



The Editor of the "Review" writes from Havana while on his way to Nicaragua: "Cuba needs a survey. The government appropriated \$18,500 recently to wash the monuments in Havana. Two men did it with Sapolio for \$800." Aside from the budget question involved, we might remark that this is a good advertisement for Sapolio.



The City of Hull, England, is unique in that it is the first city in Great Britain to own and operate a telephone system. Because of inefficiency on the part of existing telephone service, parliament took the matter up and passed the telephone act enabling municipalities in the public interest to establish and operate a competitive service in their own telephone areas. The object of the municipal telephone service in Hull is to provide a much cheaper service than that offered by the National Telephone Company, thus placing telephones within the reach of a larger number of users, and to introduce a more efficient service.

State Reorganization in Minnesota is again a very live subject. The Interim Commission is expected to report on the plan for reorganization about May 1. It has already made a study of the various departments and agencies of the state government.



Municipal Aquaria have been established in six cities of the United States namely New York, Boston, Philadelphia, Detroit, San Francisco and Venice, California. The New York aquarium is perhaps better known than any of the others. It is interesting to note that it was visited by 2,121,800 persons during 1922. The exhibit contained at the beginning of 1923 over five thousand specimens of fish and other aquatic animals.



The National Conference of Governmental Purchasing Agents brought out its first bulletin during January. This bulletin contains contributions of members of the conference and other persons interested in governmental purchasing. It is intended to assist in the promotion of greater efficiency and economy in the purchase and distribution of governmental supplies. It will be published quarterly by the conference and the intention is to make different members responsible for each number. The first number was issued under the editorship of James Price, Jr., supervisor of purchasing of the state of Washington.



A Survey and Audit of the City of Charleston, South Carolina, are now being made by the New York Bureau of Municipal Research. The survey will include all activities of the city government, excepting the educational system. The audit will probably extend back as far as the beginning of the last administration, namely, four years. This work was authorized by the new administration, which is being backed generally by the business men of the city.



Bureau of Municipal Research Established in Newark.—Recently the Newark Chamber of Commerce established as one of its activities a bureau of research. Mr. J. B. Blandford, formerly with the New York Bureau of Municipal Research, was secured to direct the new bureau.

The new organization is already making progress in a study of the city's budget needs and an analysis of all expenditures. It proposes to encourage the adoption of a uniform budget classification, a definite salary policy, and centralized purchasing. The city of Newark should profit greatly by work of this kind.



**Proposal to Establish a Retirement System for Baltimore Employees.**—The Baltimore Commission on Efficiency and Economy recently published a report covering the subject of retirement for city employees and a short history of retirement legislation. It makes recommendations for a careful study of the local situation with a view to determining the necessary steps for the establishment of a retirement system and the probable cost of such a system.



**Budget Form Proposed for State of Colorado.**—A recent report of the Bureau of Business and Governmental Research of the University of Colorado proposes a complete set-up for the state budget. Mr. Don C. Sowers, who is head of this Bureau, points out many weaknesses of the present system in this report. He states, for example, that the state has 143 separate fund accounts; that the state tax levy for 1922 was 4.48 mills, composed of 24 separate levies; that the state has no uniform classification of expenditures; that the legislature of 1923 passed sixty separate appropriation bills; and that the total operating expenditures for 1921-22 were \$21,450,000 of which only \$4,920,000 are 23 per cent represented expenditures from appropriations, the remainder being from tax levies and special funds.



**City Manager Reports.**—It is well worth the time of those who are interested in better city reporting to examine carefully, copies of the following annual reports of city manager governments, Bluefield and Clarksburg, West Virginia, and Petersburg, Virginia.



**Muskegon, Michigan, Park System.**—A continuous boulevard system approximately 90 miles long, with 60 miles of the route within sight of water, and linking together the finest external park system in Michigan, has been assured for Muskegon as a result of a gift to the

city by the Pere Marquette Railway of 113 acres of land for park purposes bordering on Lake Michigan. Coincident with the gift was one from local property owners granting the right of way for a highway along the Lake Michigan shore that will permit the building of the most important links in the boulevard system.

R. E. J.



**Arkansas Road Tax in Supreme Court.**—Recently a case bearing directly on the highway situation in Arkansas went to the Supreme Court from the United States Circuit Court of Appeals of St. Louis. The case was appealed by the road commissioners of district number one of Clarke County, Arkansas. The commissioners had placed against a farm belonging to residents of Illinois a tax of more than twenty thousand dollars for the construction of a road project.

The plaintiffs submitted pictures of the road after the money was expended as a part of their case. The pictures, of which there were a large number in the record, failed to disclose any "good roads." The record told of impassability to automobiles, and of two-mule wagons miring in the improved highway, and for this the plaintiffs affirm the road organization sought to tax them twenty thousand dollars.

The attorney for the highway organization sought to have the taxes against the plaintiffs validated on the ground that the actions of the road commissioners were in accord with the statutes of the state of Arkansas. But the circuit court in its decision declared that oppressed landowners could properly invoke the aid of the federal courts against "the arbitrary, discriminatory and excessively oppressive exercise of the legislative power of a state." The court also said that the insertion in two consecutive issues of a small county weekly newspaper of a notice that a road tax was about to be levied against land was not "actual notice."

It is also disclosed in the decision that the road commissioners taxed the landowners on the eastern side of eleven miles of the proposed highway in an amount sufficient to pay the entire cost of the road, while no taxes were levied against those so fortunate as to own land along the westerly side of the road for a distance of fifteen miles, although the latter lands lie in the same county and bear approximately a similar relation to the road.